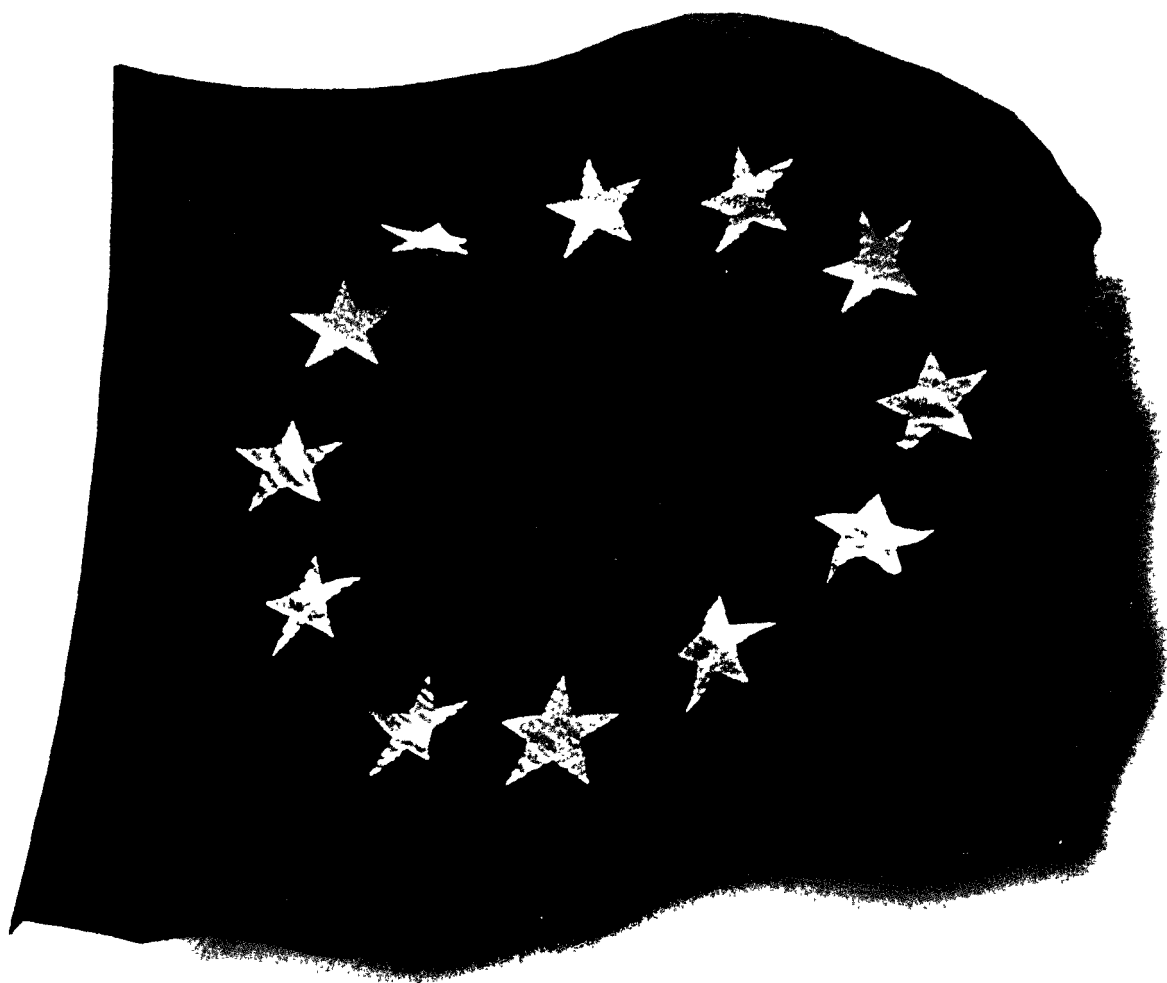


Bulletin of the European Communities

Commission



No 11 1987 Volume 20

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PART ONE

SPECIAL FEATURES

Bulletin information service

Readers can obtain information on developments since this issue went to press (date of adoption of instruments by the Council, of opinions given by Parliament or the Economic and Social Committee, of publication in the Official Journal, etc.) by telephoning the document services of the Information Offices at the following numbers:

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References in text and footnotes

References to other parts of the same issue of the Bulletin are given in parentheses in text, thus (→ point 2.1.53).

References to other issues of the Bulletin, to a Bulletin Supplement, to an Official Journal etc. are given in footnotes.

Standardized abbreviations for the designation of certain monetary units in the different languages of the Community

ECU	=	European currency unit
BFR	=	Belgische frank / Franc belge
DKR	=	Dansk krone
DM	=	Deutsche Mark
DR	=	Greek drachma
ESC	=	Escudo
FF	=	Franc français
HFL	=	Nederlandse gulden (Hollandse florijn)
IRL	=	Irish pound / punt
LFR	=	Franc luxembourgeois
LIT	=	Lira italiana
PTA	=	Peseta
UKL	=	Pound sterling
USD	=	United States dollar

1. Giving effect to the Single European Act

Positions adopted by Parliament and the Economic and Social Committee prior to the Copenhagen European Council

1.1.1. During November both the European Parliament and the Economic and Social Committee expressed their views on the communications and proposals which the Commission sent to the Council on 4 August,¹ and to which were added in September proposals on mechanisms for stabilizing agricultural prices.² This package, prepared at the request of the European Council meeting in Brussels on 29 and 30 June³ as a follow-up to the Commission's communication 'Making a success of the Single European Act',⁴ was designed to help the Council prepare a definitive position for adoption by the Copenhagen European Council. The Council's failure to reach any formal conclusions makes the positions adopted by Parliament and the Committee of particular importance.

Coherent positions

1.1.2. Although the approaches adopted by Parliament and the Committee were different, they were, like that of the Commission, both coherent and comprehensive. Parliament adopted five opinions and resolutions; the one on the future financing of the Community, as well as commenting on this specific subject, also embodies a general reaction to the Commission's proposals. The Committee adopted four opinions — either on its own initiative or in response to a request for consultation — on the specific aspects of the Commission's ideas or proposals and an own-initiative opinion on the social aspects of the internal market.

Future financing of the Community

Parliament

1.1.3. On 18 November Parliament adopted by 286 votes to 37 with 30 absten-

tions a resolution on the future financing of the Community⁵ in which it expressed its support for the positions which the Commission expressed in February in its general communication⁶ and later on specific points. It nevertheless called for a number of amendments, proposing in particular an interinstitutional agreement on the introduction of a multiannual programme establishing five-year expenditure forecasts, to be updated each year (→ point 1.1.5). It also came out in favour of the principle of solidarity, preferring a more redistributive budget.

Own resources

1.1.4. In its resolution on the future financing of the Community and its opinion on the proposal for a Council Decision on the Communities' own resources system,⁷ both adopted on 18 November,⁵ Parliament stressed the need to make the new system fairer and to increase the Community's financial autonomy. It therefore proposed a GNP-based variant of the Commission's proposal for an additional (fourth) resource. It also proposed the retention of a flat-rate refund to the Member States to cover the costs of collecting customs duties and agricultural levies, but reduced to 5%.

Speakers in the debates emphasized Parliament's firm support for the Commission's general approach, the only serious differences arising over Parliament's powers with regard to budgetary discipline.

Budgetary discipline⁸

1.1.5. Parliament attached to its general resolution a draft joint declaration by the

¹ Bull. EC 7/8-1987, point 1.1.1 *et seq.*

² Bull. EC 9-1987, point 1.5.1 *et seq.*

³ Bull. EC 6-1987, point 1.1.5.

⁴ Supplement 1/87 — Bull. EC; Bull. EC 2-1987, point 1.1.1 *et seq.*

⁵ OJ C 345, 21.12.1987.

⁶ Bull. EC 2-1987, point 2.3.1.

⁷ OJ C 241, 8.9.1987; Bull. EC 7/8-1987, point 1.1.4.

⁸ Bull. EC 7/8-1987, points 1.1.5 to 1.1.9.

Council, Parliament and the Commission on budgetary discipline and improving the budgetary procedure designed to guarantee the Community's financial autonomy and budgetary capacity and give Parliament greater powers in the field of budgetary discipline and over agricultural expenditure. The draft agreement sets out in detail how a realistic five-year expenditure programme should be drawn up, limits growth in agricultural expenditure to the rate of growth in own resources and states that any expenditure in excess of this limit must not be financed at the expense of other policies.

Financial Regulation

1.1.6. On 18 November Parliament also approved,¹ subject to some technical amendments, the second amendment² to the Commission's proposal³ amending the Financial Regulation of 21 December 1977 applicable to the general budget of the European Communities.⁴

Economic and Social Committee

1.1.7. On 17 November the Committee adopted by an overwhelming majority, with four votes against and eight abstentions, an own-initiative opinion on the future financing of the Community which endorsed the Commission's proposals.⁵ The Committee argued that the Community must have greater resources if it is not to suffer a decline.

It gave specific approval to the proposals concerning own resources, where it regarded use of the GNP criterion as an improvement since it would more accurately reflect the Member States' ability to contribute. It endorsed the general ceiling of 1.4% of GNP, while arguing that that percentage does not have to be rigid, and wanted customs duties on ECSC products classified as own resources, at the same time insisting that ECSC expenditure should remain covered in any event. It accepted the idea that the refund to the Member States of 10% of traditional own resources should

be discontinued but wished to see this done gradually. It concluded by stressing that the principle of 'fair returns' cannot be reconciled with the essential solidarity between the Member States on which the Community is built and noting that while budgetary reform is the cornerstone of any future action, it should not be limited to reform of the common agricultural policy.

The Committee held over to a later date consideration of the proposals on budgetary discipline and the Financial Regulation, stressing that these are crucial points fundamental to acceptance of an increase in own resources.

Structural Funds⁶

Parliament

1.1.8. On 19 November Parliament adopted an opinion¹ supporting the Commission's proposals, although advocating certain amendments. There were 244 votes in favour and 19 abstentions.

In its opinion, as in its general resolution (→ point 1.1.4), it requested that commitment appropriations for all the structural Funds should be at least doubled by 1992; that operations should be concentrated to a greater extent on priority areas (backward regions and those in industrial decline); that the operations of the Funds should be closely coordinated; that there should be a single set of procedural rules; and that the Commission should prepare five-yearly financing forecasts (→ point 1.1.5).

Parliament also stressed the importance of strengthening economic and social cohesion in the Community and in its opinion suggested that the Commission's text

¹ OJ C 345, 21.12.1987.

² OJ C 278, 16.10.1987; Bull. EC 7/8-1987, point 1.1.10.

³ OJ C 119, 21.5.1981; Bull. EC 12-1980, point 2.3.72.

⁴ OJ C 356, 31.12.1977.

⁵ Bull. EC 7/8-1987, point 1.1.3 *et seq.*

⁶ OJ C 245, 12.9.1987; Bull. EC 7/8-1987, point 1.1.2.

should include a section identifying the five instruments of economic policy contributing to this cohesion (coordination of economic policies, regional policy, European social area, coordination of national aid systems and the internal market) and appropriate ways of monitoring progress.

It also adopted a series of amendments concerning the criteria for identifying structurally backward regions, the list of regions to receive funds (to which were added those whose social and geographical situation is particularly precarious), greater participation by national, regional and local authorities and the monitoring and control of the strict application of the measures taken.

The debate showed that Members regarded the doubling of the Fund in real terms by 1992 as the absolute minimum required to guarantee balanced development in line with the objectives of the Single European Act,¹ and that they considered the Commission's proposal too vague.

Economic and Social Committee

1.1.9. On 23 November the Committee adopted an opinion on the reform of the structural Funds. The majority was large with only two votes against and nine abstentions.

Like Parliament, the Committee regards economic and social cohesion as an increasingly important priority for Community action. It approved the general option to concentrate finance and define precise objectives but criticized the Commission for its vague presentation of the objectives and lack of clarity on the respective roles of the Regional, Social and Agricultural Funds in achieving them. It also criticized the lack of any explicit reference to contributions from other economic and social operators and a general lack of explanation of how the integrated approach is to be applied properly. It also judged the doubling in real terms of existing allocations to be quite inadequate.

At the sale time, the Committee requested that 80% of ERDF appropriations be earmarked for helping underdeveloped regions to catch up; that the Funds should be genuinely integrated, not merely coordinated, with their operations being directed particularly towards investments (ERDF), employment (Social Fund) and the adaptation of agricultural structures (EAGGF); that the preferred method of action should be the integrated programme, which the Committee regards as the best way of exploiting the indigenous potential of regions and honouring the commitments made in the Single European Act;¹ and that the Commission should follow the path laid down in the integrated Mediterranean programmes to increase cooperation with regional and local authorities and businessmen. Finally, it wished to see the introduction of new elements which would further increase the effectiveness of operations and enhance the synergistic impact (programme contracts, partnerships, etc.).

Common agricultural policy²

Parliament

1.1.10. In its overall resolution (→ point 1.1.4) and its resolution on the application of agricultural stabilizers,³ which it adopted on 19 November⁴ by 118 votes to 57 with seven abstentions, Parliament concentrated mainly on the proposals concerning agricultural stabilizers, endorsing them in principle but with some reservations about their application.

It insisted that this policy, which should enable expenditure to be contained within realistic budget guidelines (→ point 1.1.5), should be differentiated according to the products and the producers, with special attention being paid to small producers and

¹ Supplement 2/86 — Bull. EC.

² Bull. EC 7/8-1987, points 1.1.11 to 1.1.15.

³ Bull. EC 7/8-1987, point 1.1.13; Bull. EC 9-1987, point 1.5.1 *et seq.*

⁴ OJ C 345, 21.12.1987.

those in mountainous and disadvantaged areas; that it should be accompanied by other measures to reduce production (reafforestation and set-aside programmes, etc.) and, most important of all, that it should be complemented by aid measures or direct support designed to compensate for social, regional and environmental handicaps. It reaffirmed its conviction that the Guidance Section should account for 25% of total CAP expenditure to facilitate the gradual redeployment of agricultural holdings. It asked the Commission to be firm in the sphere of environmental protection so that this becomes an integral part of the CAP and insisted finally that an international solution to the problem of imbalances on markets for agricultural products had to be sought within GATT.

Economic and Social Committee

1.1.11. On 23 November the Economic and Social Committee adopted by 91 votes to 26 with 11 abstentions an own-initiative opinion on the Commission's various agricultural proposals intended to implement the Single European Act.¹ It supported them in general but drew particular attention to their social implications. It felt that the choice of measures should not be influenced by budgetary concerns alone and urged that Community action take account of environmental protection, both as regards the impact of the measures to be implemented and as a potential source of jobs. The Committee considered that a policy of price moderation, measures to limit production and direct income support for farmers should go hand-in-hand. It was particularly keen on measures to restrain intensive farming and raise the quality of products and opposed to anything which would encourage the production or marketing of imitation products or of new products offering unfair competition. It wanted to see greater respect for the principle of Community preference, if necessary through negotiated solutions. Finally, the Committee insisted that a solution to the crisis in agriculture was the responsibility of the

entire international community and considered that an agreement within GATT was required if the Community's efforts were to succeed.

By a large majority with two votes against the Committee also adopted on 19 November an opinion on the implementation of agricultural stabilizers² in which it expressed its support for effective measures to control surplus production. However, it requested more time to consider the specific proposals.

Social aspects of the internal market

1.1.12. On 19 November the Committee adopted an own-initiative opinion on the social aspects of the internal market by 97 votes to 44 with 13 abstentions. It felt that basic Community standards should be laid down as a matter of urgency in the social and trade union fields and called for a framework Directive to define fundamental social rights (the right to social security, the right of workers to enjoy collective bargaining and a right to information and consultation on technological innovations affecting employment). It also wanted to see measures to protect the weakest workers, guarantee family unity and encourage a concerted reduction in working time. During the debate, the Employers' Group demonstrated their hostility to this text, which was adopted by secret ballot.

A joint overall approach

1.1.13. On 11 November the President of Parliament, leaders of the Political Groups and Members of the Commission met to prepare for the Copenhagen European Council. This meeting represented a new development in interinstitutional relations

¹ Bull. EC 7/8-1987, points 1.1.11 to 1.1.15.

² Bull. EC 9-1987, point 1.5.1 *et seq.*

and demonstrated the importance attached to these preparations.

1.1.14. Addressing Parliament on 18 November, Mr Delors welcomed Parliament's political support for the general thrust of the Commission's proposals to make the Single European Act work.¹ He noted that, although views differed in some respects from those of the Commission, they were not really at odds on any matters of

substance. He paid tribute to the courage and imagination shown by Parliament on the question of budgetary discipline. Emphasizing the need to safeguard the initial coherence of the package of proposals, he welcomed Parliament's valuable contribution to preparations for the European Council.

¹ Bull. EC 2-1987, point 1.1.1 *et seq.*; Bull. EC 7/8-1987, point 1.1.1 *et seq.*

PART TWO

**ACTIVITIES
IN NOVEMBER
1987**

1. Building the Community

Economic and monetary policy

Council

2.1.1. At its economic and financial affairs meeting on 16 November, the Council examined the economic and monetary situation and adopted conclusions (→ point 2.1.2).

After hearing a statement from Mr Delors, Commission President, and from Lord Cockfield, Vice-President, the Council asked the Monetary Committee and the Committee of Governors of the Central Banks to examine the Commission proposals on the creation of a European financial area¹ and give their opinions at the earliest opportunity; the Council agreed that it, too, would examine the proposals forthwith.

After hearing a statement by Lord Cockfield, the Council also held a preliminary exchange of views on the Commission's communication and proposals concerning the elimination of tax frontiers.²

As regards indirect taxation, the Council took note of the Commission's intention to put forward a new proposal concerning a common system of value-added tax on works of art, collectors' items, antiques and used goods (→ point 2.1.91); it continued its examination of the proposed 18th VAT Directive.³

Lastly, under the cooperation procedure instituted by the Single European Act,⁴ the Council agreed a common position on the proposal for a Directive concerning the investment policies of certain undertakings for collective investment in transferable securities (Ucits) (→ point 2.1.108).

Economic situation

2.1.2. The Council discussed the most recent developments on the financial and foreign exchange markets.

Noting that there had been some improvements in the days leading up to their meeting, the Ministers agreed that a more stable market situation was very important for future economic development in the Community and the world.

For this purpose common and coordinated efforts by all countries were needed.

It was extremely important that the fiscal and monetary cooperation agreed at the Louvre be continued and the commitments undertaken implemented by all parties in full and without delay. Especially urgent were early and appropriate decisions on a further substantial reduction of the US budget deficit for fiscal 1988 and fiscal 1989. A further decline of the dollar would aggravate the disadvantages for the world economy, including the economy of the United States.

The Community countries were determined to improve the conditions for further internally generated non-inflationary growth and to contribute to the reduction of external imbalances. They intended to cooperate actively with other countries in decisions to ensure a more stable development of world financial and foreign exchange markets.

The events of recent weeks had emphasized the advantages, within the context of the objectives of the Single European Act, of setting up a large integrated European market for goods, services and capital. The progressive realization of these objectives would create new opportunities for growth in Europe in the years ahead.

The EMS had played and would play an important role in the coordination of policies between the member countries and in preserving stable relationships between European currencies. All member countries would continue to meet in full their obligations within the existing margins of the EMS. Recent developments had demonstrated that the EMS had been strengthened

¹ Bull. EC 10-1987, point 1.1.1 *et seq.*

² Bull. EC 7/8-1987, point 1.2.1 *et seq.*

³ OJ C 183, 11.7.1987; Bull. EC 6-1987, point 2.1.68.

⁴ Supplement 2/86 — Bull. EC.

in appropriate ways by the decisions taken in September at Basle and Nyborg.¹

Annual economic report 1987-88

2.1.3. On 20 November Parliament gave its opinion² on the annual economic report 1987-88.³

It expressed concern at the Community's mediocre economic performance in 1987 and at the forecasts for 1988, stressing that the Community should find within itself the wellsprings of economic growth, for which the means existed and of which it stood in the greatest possible need, in particular through closer economic and monetary cooperation. In this respect, it reaffirmed the need for a more determined approach to promoting the cooperative growth strategy,⁴ without jeopardizing price stability. This must be done, in Parliament's view, through: strengthening the EMS; adoption by the Council at the earliest opportunity of the proposals for completing the internal market; continued wage moderation; implementation of social measures (aimed at promoting, in particular, the sharing of productivity gains, vocational training, reorganization of working time and productive investment which will create jobs); and resolutely implementing regional policy. Parliament called on the Commission to continue the assessment, together with the two sides of industry, of what will form the European 'bedrock' of minimum labour laws and the future of social welfare systems, and on the Commission and the Council to ensure the success of Community research programmes with a view to technological recovery, a vital element in the Community's future.

2.1.4. The Economic and Social Committee delivered its opinion on the annual economic report 1987-88 on 18 November (→ point 2.4.35).³

2.1.5. The partners in the social dialogue at Community level — the Union of Industrial and Employers' Confederations of Europe (Unice), the European Trade Union Conference (ETUC) and the European Centre of Public Enterprise (CEEP) — on 26

November gave an opinion on the annual economic report 1987-88,⁵ stressing the need to apply the cooperative growth strategy for more employment⁴ with determination. They called for budgetary efforts to be made within the Community to strengthen internal demand and for the internal market to be created quickly, while due account was taken of social policy and efficient structural policies were implemented.

Medium-term policy

2.1.6. In November the Commission inaugurated the BACH (Business accounts harmonized data bank) (→ point 2.1.33).

European Monetary System

2.1.7. On 10 November 1987 the Bank of Portugal signed an instrument giving it accession to the Agreement of 13 March 1979 between the central banks of the Member States of the European Economic Community laying down the operating procedures for the European Monetary System.⁶ The Bank of Portugal also expressed its intention that, having become party to the EMS Agreement, it would participate in the ECU creation mechanism by contributing 20% of its gold and dollar reserves to the European Monetary Cooperation Fund at the next three-monthly swap in January 1988; in return, it would be credited with the corresponding amount of ECU. These moves do not imply the participation of the escudo in the EMS exchange-rate mechanism. Once these transactions have been completed, the position of Portugal with respect to the EMS will be similar to that of the United Kingdom, Greece and Spain, except that, together with the peseta, the escudo is not yet incorporated in the ECU basket.

*

¹ Bull. EC 9-1987, point 1.3.1 *et seq.*

² OJ C 345, 21.12.1987.

³ Bull. EC 10-1987, point 1.4.1 *et seq.*

⁴ Bull. EC 10-1985, point 1.3.1 *et seq.*

⁵ Bull. EC 9-1987, point 1.3.1 *et seq.*

⁶ OJ L 379, 30.12.1979; Bull. EC 3-1979, point 2.1.1.

2.1.8. On 20 November the European Parliament adopted a resolution on the wider use of the ECU and the simplification of payment transactions within the Community.¹

Monetary Committee

2.1.9. The Monetary Committee held its 338th meeting on 25 November, with Sir Geoffrey Littler in the chair. It examined in particular the broad monetary policy guidelines for 1988.

Economic Policy Committee

2.1.10. The Economic Policy Committee held its 184th meeting on 26 and 27 November, with Mr Milleron in the chair. It conducted an initial examination from an economic viewpoint of the Commission's proposals on the harmonization of indirect taxation and undertook a brief review of recent economic developments. It also adopted an opinion on the Commission's proposal on financing major Community infrastructure projects.²

Internal market and industrial affairs

Completing the internal market

Council

2.1.11. Following the cooperation procedure, on 30 November the Council adopted common positions on four proposals for Directives, one on the type approval of tractors,³ two on lawnmower noise (→ point 2.1.158) and one on fluid fertilizers,⁴ and a common position on the proposal for a Regulation determining the persons liable for payment of a customs debt (→ point 2.1.78).

Broad agreement was reached on the proposals for Directives on cosmetics (→ point 2.1.166), trade marks (→ point 2.1.29), good laboratory practice and dangerous

preparations (→ points 2.1.161 and 2.1.162) as well as on the proposals concerning the information procedure on the standards and technical rules in force, particularly for agricultural products.⁵

The Council also discussed a number of other proposals concerning, among other things, non-life insurance (→ point 2.1.106), mutual recognition of diplomas⁶ and the pricing of medicinal products for human use and their inclusion in the national health systems.⁷ Considerable progress was made on all these matters, though the Council has yet to reach a final decision on them.

Finally, the Council adopted three Decisions accepting, on behalf of the Community, the recommendation of the Customs Cooperation Council of 22 May 1984 concerning the use of codes for the representation of data elements and four of the Annexes thereto and Annexes E5 and F3 to the International Convention on the Simplification and Harmonization of Customs Procedures (the Kyoto Convention) (→ point 2.1.77).

Implementing the White Paper

2.1.12. On 25 November the Commission adopted, for transmission to the Council, a proposal for a Directive on the approximation of the laws of the Member States relating to machines (→ point 2.1.21).

2.1.13. On 12 November the Commission sent the Council a proposal for a Directive on the approximation of the laws of the Member States relating to electromagnetic compatibility (→ point 2.1.22).

¹ OJ C 345, 21.12.1987.

² OJ C 80, 27.3.1987; Bull. EC 12-1986, point 1.3.7 *et seq.*

³ OJ C 88, 3.4.1987; Bull. EC 1-1987, point 2.1.9.

⁴ OJ C 12, 16.1.1987; Bull. EC 12-1986, point 2.1.23.

⁵ OJ C 71, 19.3.1987; Bull. EC 2-1987, point 2.1.8.

⁶ OJ C 217, 28.8.1985; Supplement 8/85 — Bull. EC; Bull. EC 7/8-1985, point 1.4.1 *et seq.*; OJ C 143, 10.6.1986; Bull. EC 5-1986, point 2.1.96.

⁷ OJ C 17, 23.1.1987; Bull. EC 12-1986; point 2.1.31.

Freedom of movement — freedom to provide services

Tourism

2.1.14. At the instigation of Mr Ripa di Meana, the Commission Member with special responsibility for tourism, the Commission organized a major conference on the subject of 'Tourism: Horizon 1992', which was held in Brussels on 23 and 24 November. Its purpose was to look at the implications for tourism of the completion of the internal market. The conference's four main topics were promoting the Community as a destination for tourists (from both Community and non-Community countries), improving working conditions in this sector and improving the seasonal and geographical distribution of tourism in the Community. The experts taking part in the conference agreed on the need for a Community tourism policy and a stepping-up of resources to enable the Community to achieve its aims in this sector. The initiatives within the European Parliament, aimed at making 1990 European Tourism Year and calling for a meeting within the Council next year of ministers with special responsibility for tourism, also met with wide support.

Mutual recognition of diplomas — access to economic activities

2.1.15. On 2 December,¹ the Commission put before the Council a proposal for a Directive making technical amendments to five Directives concerning the mutual recognition of medical diplomas,² diplomas of nurses responsible for general care,³ diplomas of dental practitioners,⁴ diplomas of veterinary surgeons⁵ and midwives' diplomas,⁶ as well as to three Directives aimed at coordinating the laws, regulations and administrative provisions concerning the activities of doctors,⁷ veterinary surgeons⁸ and midwives,⁹ so as to take account of changes in the titles of diplomas, the creation of new medical specialities, etc.

Doctors

2.1.16. On 10 and 11 November, the Advisory Committee on Medical Training held a meeting at which it discussed reports on the quality of training and on training in the treatment of cancer. It also discussed endeavours to define the role and attributes of the future doctor. As a preliminary to an in-depth study of the subject, the Committee discussed the organization of continuing medical training in the Member States.

Free movement of goods

Technical standards and regulations

2.1.17. On 18 November⁷ Parliament adopted a legislative resolution (cooperation procedure) embodying its opinion in first reading on the proposal for a Directive⁸ amending the Directive of 28 March 1983⁹ laying down a procedure for the provision of information in the field of technical standards and regulations. A number of amendments were approved including, in particular, the call for an annual report to be presented to Parliament on the results of the implementation of the Directive. With one exception, all of these amendments were adopted by the Commission.

2.1.18. Following this opinion, the Commission transmitted to the Council on 25 November¹⁰ a modified proposal incorporating the approved amendments.

2.1.19. On 18 November⁷ Parliament also adopted, under the cooperation procedure, a legislative resolution approving the proposal for a Directive laying down a procedure for the provision of information

¹ COM(87) 577 final.

² OJ L 167, 30.6.1975.

³ OJ L 176, 15.7.1977.

⁴ OJ L 233, 24.8.1978.

⁵ OJ L 362, 23.12.1978

⁶ OJ L 33, 11.2.1987.

⁷ OJ C 345, 21.12.1987.

⁸ OJ C 71, 19.3.1987; Bull. EC 2-1987, point 2.1.8.

⁹ OJ L 109, 26.4.1983; Bull. EC 3-1983, point 2.1.8.

¹⁰ OJ C 3, 7.1.1988; COM(87) 607 final.

in the field of technical standards and regulations relating to agricultural products.¹

2.1.20. On 30 November the Council adopted its common position on these proposals.

Removal of technical and administrative barriers to trade

Industrial products

2.1.21. On 25 November² the Commission adopted, for transmission to the Council, the most ambitious of its proposals on the approximation of the laws of the Member States with a view to ensuring the completion of the internal market by 1992.

The aim of the proposal in question, which relates to machines, is to remove technical barriers attributable in the main to the safety regulations. The safety of personnel operating machines has always been a cause of concern to all the Member State public authorities who have adopted a certain number of regulations in this area. The safety standards adopted in this manner are at the root of multiple technical barriers which make the free circulation of machines within the Community difficult and at times even impossible. This proposal for a Directive applies to a vast range of machinery, bringing together a very large part of what are commonly called 'machines, appliances, equipment, installations, etc.', whether these machines are large or small, fixed or mobile. Excluded from the scope of the Directive are only those machines which pose little or no danger as they are powered directly by manual effort, those machines treated by existing or forthcoming specific Directives dealing with safety and those for which supplementary essential safety requirements are considered necessary (lifting and handling appliances, mobile agricultural and construction plant and machines for woodworking).

The new approach to technical harmonization and standardization adopted by the Council in May 1985³ envisages that Directives should no longer give highly detailed

specifications in relation to the design and construction of products but should be limited to the essential safety requirements judged to be necessary and sufficient to ensure the safety of users and, in this way, allow free movement within the Community. This task, which has proved particularly delicate, is the result of an in-depth study and of a large number of discussions with all the parties concerned, i.e. representatives of the Member States, manufacturers, certification bodies and the trade unions. An important task for the efficient application of the Directive in the future will be entrusted to the European standardization committees (CEN and Cenelec). These bodies will be responsible for putting into concrete form, at a technical level, certain essential safety requirements laid down in the Directive as target objectives in order that the manufacturers and Member States may have at their disposal the means necessary to keep errors of interpretation to a minimum, not only at the machinery design and construction stage but also during inspections.

2.1.22. On 12 November⁴ The Commission transmitted to the Council a proposal for a Directive on the approximation of the laws of the Member States relating to electromagnetic compatibility. This proposal covers a vast range of equipment broadly embracing all electrical appliances, apparatus and installations, including vehicles, electricity distribution networks and systems of communication (transport — railways) and telecommunications, in so far as they are liable to cause electromagnetic interference or their performance is liable to be affected by such interference.

2.1.23. On 30 November the Council adopted its common position on the proposal for a Directive,⁵ amending the Directive of 19 December 1974⁶ on the approxi-

¹ OJ C 71, 19.3.1987; Bull. EC 2-1987, point 2.1.8.

² COM(87) 564 final.

³ OJ C 136, 4.6.1985; Bull. EC 5-1985, point 1.3.1.

⁴ OJ C 322, 2.12.1987; COM(87) 527 final.

⁵ OJ C 317, 10.12.1986; Bull. EC 12-1986, point 2.1.21.

⁶ OJ L 42, 15.2.1975.

mation of the laws of the Member States relating to the making-up by volume of certain prepackaged liquids, prior to transmitting it to Parliament under the cooperation procedure.

Foodstuffs

2.1.24. On 9 November¹ the Commission transmitted to the Council a proposal for a Regulation on indications or marks identifying the lot to which a foodstuff belongs. The aim of this proposal is to establish the lot-identification principle in the labelling of foodstuffs. Henceforth this will become a general mandatory requirement under the new international standard of the Codex Alimentarius (FAO/WHO).

2.1.25. Pursuant to the Council Directive of 15 July 1980² relating to the exploitation and marketing of natural mineral waters, which entered into force in July 1974, the Commission has been notified of the United Kingdom's list of recognized mineral waters.³

2.1.26. On 18 November⁴ Parliament adopted a legislative resolution (cooperation procedure) embodying its opinion in first reading on the proposal for a Directive on the official inspection of foodstuffs.⁵

Fertilizers

2.1.27 On 24 November⁶ the Commission adopted a Directive amending the Commission Directive of 22 June 1977⁷ on the approximation of the laws of the Member States relating to methods of sampling and analysis for fertilizers.

Industrial affairs

Shipbuilding

2.1.28. On 19 November the Economic and Social Committee delivered its opinion (→ point 2.4.42) on the Commission's second communication on the industrial, social and regional aspects of shipbuilding.⁸

Businesses

Improving the business environment

Intellectual property

2.1.29. On 30 November the Council (internal market) reached a broad consensus on the proposal for a Directive to approximate the laws of the Member States relating to trade marks.⁹

Public procurement

2.1.30. On 16 November the Council adopted a Decision concluding, on behalf of the Community, the Protocol amending the GATT Agreement on Public Contracts (→ point 2.2.71).¹⁰

2.1.31. On 4 November the Commission approved for publication a guide to the Community rules on open public-sector procurement explaining the reasons behind the Community legislation with a view to avoiding misinterpretation by the national authorities. This guide will be published in the *Official Journal* and circulated in the form of a brochure.

2.1.32. On 17 November¹¹ the Commission appointed the members to serve for two years, starting on 1 November, on the Advisory Committee on the Opening-up of Public Procurement set up on 26 May.¹²

¹ OJ C 310, 20.11.1987; COM(87) 501 final.

² OJ L 229, 30.8.1980.

³ OJ C 309, 19.11.1987.

⁴ OJ C 345, 21.12.1987.

⁵ OJ C 20, 27.1.1987; Bull. EC 12-1986, point 2.1.28.

⁶ OJ L 342, 4.12.1987.

⁷ OJ L 213, 22.8.1977.

⁸ OJ C 291, 31.10.1987; Bull. EC 7/8-1987, points 2.1.19, 2.1.156 and 2.1.132.

⁹ Supplement 5/80 — Bull. EC; OJ C 351, 31.12.1980; Bull. EC 11-1980, point 1.5.1 *et seq.*; OJ C 351, 31.12.1985; Bull. EC 12-1985, point 2.1.24.

¹⁰ Bull. EC 2-1987, point 2.2.41.

¹¹ OJ C 317, 28.11.1987.

¹² OJ L 152, 12.6.1987; EC 5-1987, point 2.1.23.

Business flexibility

Business accounts harmonized data bank (BACH)

2.1.33. In November the Commission inaugurated the BACH (business accounts harmonized data bank) which will supply comparable detailed information on businesses to complement the data from the national accounts and bring out the differences between financial structures in individual countries, industries, sizes of firm and years between 1971 and 1985. At the moment data are available on four of the larger Member States, the USA and Japan. In the near future, however, the data bank is to be enlarged to include five more Member States and a financing table so that it can provide an even better service.

Steel

The Community steel industry

Market management

Crisis measures

New plan for 1988-90

2.1.34. Excess capacity is running at over 16 million tonnes in the categories at the heart of the restructuring still to be carried out in the European steel industry — hot-rolled wide strip, heavy plate and heavy sections.

The steelmakers are not ready to commit themselves to capacity cuts on this scale within the time given, although individual capacity reduction projects may emerge within the next few months.

The steelmakers generally want production quotas to be maintained for these three product categories, even though on their own admission quotas cannot be justified on the ground of a state of manifest crisis for one of them, hot-rolled wide strip.

On the basis of these three findings, all remaining production quotas ought to be abolished.

These are the main conclusions reported on 13 November to the Commission Vice-President Karl-Heinz Narjes by the Three Wise Men asked by the Commission on 8 October to engage in consultative talks with European steelmakers.¹

In their report the Three nevertheless mention certain transitional and supplementary measures which would enable the industry to adapt gradually to free market conditions and would offer it a last chance to submit closure commitments.

2.1.35. Although the Commission disagreed with some things in the report, on 25 November, after examining the conclusions, the Commission adopted a communication² amending its communication of 29 July setting out a new plan to combat the crisis in the European steel industry from 1988 to 1990,³ as first considered by the Council on 21 September.⁴ The Commission sent this communication together with the report by the Three Wise Men to the ECSC Consultative Committee and to the Council, which was asked to give a decision at its meeting on 8 December.

The Commission has proposed the following measures to maintain the quota system:

(i) for categories Ia (hot-rolled wide strip) and Ib (cold-rolled sheet), the quotas are to be ended on 30 June 1988, after a 2.5% increase in the quota for the second quarter of 1988 to prepare for the return to a free market.

While accepting that there is still much overcapacity in these categories, the Commission considers that there is no longer any manifest crisis, given the strong demand, particularly from the motor industry;

(ii) for categories II (heavy plate) and III (heavy sections) the quotas are to be

¹ Bull. EC 10-1987, point 2.1.21.

² COM(87) 640 final.

³ OJ C 272, 10.10.1987; Bull. EC 7/8-1987, point 2.1.25.

⁴ Bull. EC 9-1987, point 2.1.17.

extended until 30 June 1988, on condition that steelmakers give the Commission notice of their closure plans by 15 December 1987 and confirm them by 15 March 1988. Provided the Commission receives adequate closure commitments by that date, with firm guarantees that they will be implemented, it would then be prepared to extend the quotas until the end of 1990;

(iii) for categories IV (wire rod) and VI (merchant bars) the market is to be liberalized completely from 1 January 1988.

The Commission sees no need to change the Aid Code¹ but feels that any specific problems arising must be settled by the individual exemptions provided for by Article 93 of the EEC Treaty.

Finally, the Commission strongly urges the Council rapidly to approve the social and regional measures advocated in the communication of 29 July,² including their budgetary consequences and any transfer necessary from the EEC to the ECSC budget. It points out that the employment situation which prompted the proposals is to a large extent independent of continuation of the quota system: unfortunately, the figures for the industry's job-shedding plans over the next few years indicate that the estimates in the communication have already been surpassed. Whatever industrial policy decisions are taken, the Council should therefore give top priority to examining the Resider programme and the social measures proposed by the Commission, since both the social and regional measures are key components of the Community steel policy.

2.1.36. On 19 November Parliament adopted a resolution on the situation in the steel industry (→ point 2.4.18).³

2.1.37. On 18 November the Economic and Social Committee (→ point 2.4.41) delivered an opinion on the proposal for a Regulation instituting a Community programme to assist the conversion of steel areas (Resider programme).⁴

Production quotas

2.1.38. On 3 November the Commission adopted⁵ the final rates of abatement for the fourth quarter of 1987, which it had provisionally fixed on 21 September,⁶ raising the production quotas for three product categories to take account of the big new export contracts won by some steelmakers and of the upswing in demand for certain rolled products on the United Kingdom market. A further 369 000 tonnes has been added to the quota for wide hot-rolled strip, an extra 60 000 tonnes for cold-rolled sheet and 65 000 tonnes for heavy plate.

The adjusted abatement rates for the fourth quarter are set out in Table 1.

Table 1 — *Final abatement rates for establishing the production quotas for the fourth quarter of 1987*
(in %)

	Production	Share of quotas that can be delivered in the common market
Ia Hot-rolled strip and sheet	45	54
Ib Cold-rolled sheet	45	—
II Reversing-mill plate	38	—

Penalties

2.1.39. On 10 November the Commission imposed fines totalling around 5 500 000 ECU on nine Community steel undertakings which had exceeded their production quotas and/or the parts of the quotas that can be delivered on the common market during the period covered by the Decision of 31

¹ Bull. EC 10-1985, point 1.2.1 *et seq.*; OJ L 340, 18.12.1985; Bull. EC 11-1985, points 2.1.23 and 2.1.25.

² OJ C 272, 10.10.1987; Bull. EC 7/8-1987, points 2.1.25, 2.1.34 and 2.1.146.

³ OJ C 345, 21.12.1987.

⁴ OJ C 272, 10.10.1987; Bull. EC 7/8-1987, points 2.1.25 and 2.1.146.

⁵ OJ L 313, 14.11.1987.

⁶ OJ L 269, 22.9.1987; Bull. EC 9-1987, point 2.1.19.

January 1984 on the extension of the system of monitoring and production quotas for certain products of undertakings in the steel industry.¹

Deliveries by Spain and Portugal

2.1.40. With the assent of the Council,² on 9 November the Commission placed a ceiling of 935 000 tonnes on deliveries of ECSC steel products from Spain on to the rest of the Community market, excluding Portugal, and a ceiling of 100 000 tonnes on Portuguese deliveries to the rest of the Community except Spain.³ Both these figures apply to the whole of 1987, following the 1986 ceilings of 850 000 tonnes for Spain and 90 000 tonnes for Portugal.

Market situation

Production

2.1.41. Eurostat rapid reports show that crude steel production in the Community—Greece excluded—stood at 11 million tonnes in November, compared with 10.5 million tonnes in November 1986. Production has either increased slightly or held more or less steady in every Member State.

2.1.42. Continuous casting's share of production in each country which produced over 10 million tonnes of crude steel in 1985 is set out in Table 2.

¹ OJ L 29, 1.2.1984.

² OJ C 314, 26.11.1987.

³ OJ L 324, 14.11.1987.

Table 2 — *Share of production continuously cast (1980-86)*

	(million tonnes)					
	Crude steel		Continuous casting		Percentage share taken by continuous casting	
	1980	1986	1980	1986	1980	1986
Japan	111.4	98.3	66.3	91.1	59.5	92.7
France	23.2	17.9	9.6	16.1	41.4	89.9
Germany (FR)	43.8	37.1	20.2	31.4	46.1	84.6
Italy	26.5	22.9	13.2	19.2	49.8	83.8
Belgium	12.3	9.7	3.2	7.0	26.0	72.2
Spain	12.6	12.0	4.6	7.3	36.5	60.8
United Kingdom	11.3	14.8	3.1	8.9	27.4	60.1
USA	101.5	73.8	20.6	39.5	20.3	53.5
Canada	15.9	14.1	4.1	6.5	25.8	46.1
Brazil	15.3	21.2	5.1	9.5	33.3	44.8
Romania	13.1	14.3	2.4	4.4	18.3	30.8
Poland	19.5	17.2	0.8	1.5	4.1	8.7
India	9.5	11.9	—	0.1	0.0	0.9

2.1.43. The coated metal industry is expanding by, on average, 8% a year, as its market steadily grows in the building, motor and electrical household appliances industries. The European Coil Coating Association (ECCA) representing producers and suppliers is constantly contributing to the growth of the industry, which turns out such a wide range of high-quality products that new markets are opening up all the time. Its members have declared their firm intent to define uniform European methods and standards with a view to defining a

harmonized quality label in preparation for completion of the single market in 1992.

Orders

2.1.44. In July the Nine's steelmills received new orders for 8 131 000 tonnes of ordinary steel, a seasonally-adjusted increase of 9% on June and up 13% on July 1986 and 10% on July 1985.

Table 3 breaks down the new orders by source.

Table 3 — *Orders for ordinary steel by source*

	Orders from			Total
	Home market	Other ECSC countries	Non-Community countries	
July 1987	4 538	1 986	1 607	8 131
June 1987	4 025	1 834	1 921	7 780
July 1986	3 980	1 791	1 410	7 181
July 1985	4 080	1 688	1 604	7 372

2.1.45. The OECD's Steel Committee's analysis of the results for the first nine months of the year has concluded that demand has picked up on several markets and prices have steadied. Overall, however, the pattern of demand remains patchy. The recovery has been shaky in the USA, while there has been moderate growth in Canada and an upswing in the building industry in Japan. But output is falling in Australia and remains unchanged in the Community. Most of this extra demand stems from the revival in the motor and electrical engineering industries (→ point 2.1.43). Apparent consumption in 1987 is expected to match the 1986 level. Imports are lower than in 1986 but exports are slightly higher. Output in the Community over the first three quarters was 1% down on the same period last year. The year-on-year contraction in the workforce is expected to be around 7%.

Research

Technological research

2.1.46. On 26 November the Commission decided¹ to grant financial support to pilot and/or demonstration projects in the steel industry between 1988 and 1992, based on Article 55 of the ECSC Treaty. This new programme marks the follow-up to the five-year programme started in 1983, under which 42 projects were granted support totalling 38 million ECU.² The first experimental programme produced such encouraging results—stimulating the transfer and industrial exploitation of successful research and encouraging closer technical

¹ OJ C 317, 28.11.1987.

² OJ C 81, 24.3.1983; Bull. EC 3-1983, point 2.1.174.

collaboration between research centres and steelmakers in the Community—that it has been decided to extend the programme for a further five years. The second programme, like the first, is to be funded from the steel research section of the ECSC operating budget.

Trade with non-member countries

Imports

External aspects of the crisis measures

Arrangements with non-member countries

2.1.47. On 9 November the Commission sent the Council a communication concerning the negotiation of the 1988 arrangement on steel imports from certain non-member countries. The Commission has proposed a policy similar to the one pursued in 1987 in relation to Austria, Brazil, Bulgaria, Czechoslovakia, Finland, Hungary, Korea, Norway, Poland, Romania, Sweden and Venezuela.

Autonomous measures

2.1.48. On 17 November the Representatives of the Governments of the ECSC Member States adopted a Decision applying for 1988 the generalized tariff preferences for certain steel products originating in developing countries (→ point 2.2.42).¹

2.1.49. The Council definitively adopted² the anti-dumping duty provisionally imposed by the Commission on ferro-silico-calcium imports from Brazil.³

2.1.50. On 19 November the Commission adopted a Decision⁴ imposing a definitive anti-dumping duty on imports of certain sheets and plates, of iron or steel, originating in Mexico and definitively collecting the provisional anti-dumping duty imposed on those imports on 28 July.⁵

2.1.51. On 18 November the Commission supplemented and extended⁶ for 1988 the recommendation on Community surveillance of imports of certain products originating in non-member countries,⁷ which was designed to provide a complete picture of imports. The changes were made primarily to prepare for the entry into force of the new Harmonized Commodity Description and Coding System.⁸

With the new combined nomenclature about to be introduced, the authorities must be allowed enough time to incorporate the recommendation into their national legislation and bring it into force by 1 January 1988.

2.1.52. The Commission has announced that the normal customs duties for blooms, billets, slabs and sheet bars from Brazil are to be re-established throughout the Community by 19 November 1987.⁹

2.1.53. On 16 November the Commission amended the arrangements applied by the Federal Republic of Germany to ferro-silicon imports from China with a silicon content of between 60 and 80%.

Research and technology

Community R&D policy

Coordination of national policies

2.1.54. At its meeting in Brussels on 12 and 13 November the Scientific and Technical Research Committee (Crest) continued its discussion¹⁰ of the Commission's proposals

¹ OJ L 350, 12.12.1987.

² OJ L 322, 12.11.1987.

³ OJ L 129, 19.5.1987; Bull. EC 5-1987, point 2.1.39.

⁴ OJ L 330, 21.11.1987.

⁵ OJ L 207, 29.7.1987; Bull. EC 7/8-1987, point 2.1.41.

⁶ OJ L 328, 19.11.1987.

⁷ OJ L 112, 29.4.1987; Bull. EC 4-1987, point 2.1.31.

⁸ OJ L 198, 20.7.1987; Bull. EC 4-1987, point 2.1.49.

⁹ OJ C 309, 19.11.1987.

¹⁰ Bull. EC 9-1987, point 2.1.36.

for R&D programmes in the fields of information technology (IT) applied to road transport (Drive),¹ health (AIM)² and learning (Delta).³ It also delivered an opinion on the Community support plan to facilitate access to large-scale scientific facilities of European interest (1988-92):⁴ it took the view that the plan would not only allow European research workers easy access to scientific and technical facilities in the Member States, but also enable the Community to improve and make better use of its large-scale resources at moderate cost. The Committee therefore endorsed the Commission's proposal by a majority vote.

It also delivered its opinion on the plan to stimulate the international cooperation and interchange needed by European research scientists (Science),⁵ approving the scientific and technical content of the new proposal, which covers all the natural and exact sciences.

International cooperation

EFTA countries

2.1.55. On 19 November the Commission sent the Council a proposal⁶ for a Decision concerning the conclusion of the Cooperation Agreement between the EEC and Switzerland on research and development in the field of advanced materials (the Euram⁷ subprogramme of the materials research programme⁸ adopted by the Council in June 1986).

COST

2.1.56. On 4 November Portugal signed the Memorandum of Understanding (MOU) concerning COST project 213 (Electronically-steered antennas for future satellite and terrestrial communications).

On 23 November Switzerland signed the MOU concerning COST project 74 (Use of strato-tropospheric radar for improving weather forecasting).

Sectoral R&D activities

Energy

Non-nuclear energy

2.1.57. Meeting in Brussels on 11 November, the Management and Coordination Advisory Committee on Non-nuclear Energy continued its discussions⁹ on the broad lines of the next research programme in the field of non-nuclear energy, which is to take over from the existing one (1985-88).¹⁰ Members of the Committee were generally in favour of the Commission's proposals for the new programme, which should be divided into four subprogrammes (national use of energy, fossil fuels, renewable energy sources and geothermal energy, and energy modelling) and, under the framework programme (1987-91),¹¹ will have a budget estimated at 122 million ECU.

Industry

New technologies¹²

Brite programme

2.1.58. On 18 November the European Parliament adopted, under the cooperation procedure, a legislative resolution¹³ embodying its opinion in first reading on the Commission's proposal amending the multiannual R&D programme in the fields of basic technological research and the

¹ Bull. EC 7/8-1987, point 2.1.68.

² Bull. EC 7/8-1987, point 2.1.69.

³ OJ C 265, 5.10.1987 and Bull. EC 7/8-1987, point 2.1.67.

⁴ Bull. EC 7/8-1987, point 2.1.62.

⁵ Bull. EC 9-1987, point 2.1.51.

⁶ OJ C 325, 4.12.1987; COM(87) 534 final.

⁷ European research on advanced materials.

⁸ OJ L 159, 14.6.1986; Bull. EC 6-1986, point 2.1.65.

⁹ Bull. EC 6-1987, point 2.1.47.

¹⁰ OJ L 83, 25.3.1985; Bull. EC 12-1984, point 1.7.1.

¹¹ OJ L 302, 24.10.1987; Bull. EC 9-1987, point 2.1.32.

¹² For information technology and telecommunications, see points 2.1.67 and 2.1.68.

¹³ OJ C 345, 21.12.1987.

application of new technologies (Brite) (1985-88).¹ Parliament called for certain amendments which were accepted by the Commission and related among other things to the consultation of both sides of industry and the choice of projects likely to lead to new jobs and fewer disparities between the Member States' levels of technological development.

2.1.59. The Economic and Social Committee delivered its opinion (→ point 2.4.36) on 18 November.¹

Traditional industries²

Technical coal research

2.1.60. On 13 November the Commission decided to grant additional financial support under Article 55 of the ECSC Treaty amounting to 3 407 400 ECU for technical coal research, broken down into 1 918 200 ECU for mining technology (five projects), 1 339 200 ECU for coal upgrading (four projects) and 150 000 ECU for the translation of technical literature written in languages regarded as difficult. This brings the total amount of support for coal research this year to 25 268 400 ECU.³

Agriculture and fisheries

2.1.61. In accordance with Article 4 of the Council Decision of 12 December 1983 adopting joint research programmes and programmes for coordinating agricultural research,⁴ the Commission sent the Council and Parliament a report⁵ on the implementation of the programmes over the period 1984-86.

Health and safety

2.1.62. On 17 November the Council adopted,⁶ following Parliament's decision⁷ to approve the Council's common position,⁸ a Decision adopting a research and development coordination programme in the field of medical and health research (1987-91).⁹ The pro-

gramme has an estimated budget of 65 million ECU for five years, 49% of which will be devoted to research on cancer and Aids. It also covers medical technology development, age-related health problems, environment and life-style and health service research.

2.1.63. On 18 November the Economic and Social Committee delivered its opinion (→ point 2.4.37)¹⁰ on the proposal for a Decision revising the multiannual research and training programme in the field of radiation protection (1985-89).

Development aid

2.1.64. On 18 November the European Parliament adopted, under the cooperation procedure, its opinion¹¹ on the Council's common position¹² on the proposal for a Regulation relating to a research and development programme in the field of science and technology for development.¹³ It proposed certain amendments concerning in particular the possibility for other competent organizations of submitting proposals for co-financing research work, as well as the form of the instrument (a Regulation instead of a Decision). The Commission did not accept the latter amendment.

2.1.65. On 27 November the Commission sent the Council an amended proposal¹⁴ together with a list of Parliament's amend-

¹ OJ C 238, 4.9.1987; Bull. EC 7/8-1987, point 2.1.59.

² For technical and social research (steel), see the Steel section.

³ Bull. EC 3-1987, point 2.1.50.

⁴ OJ L 358, 22.12.1983; Bull. EC 12-1983, point 2.1.159.

⁵ COM(87) 557 final.

⁶ OJ L 334, 24.11.1987.

⁷ OJ C 318, 30.11.1987; Bull. EC 10-1987, point 2.1.42.

⁸ Bull. EC 9-1987, point 2.1.45.

⁹ OJ C 50, 26.2.1987; Bull. EC 10-1986, point 2.1.49; Bull. EC 9-1987, point 2.1.47.

¹⁰ OJ C 302, 12.11.1987; Bull. EC 7/8-1987, point 2.1.61.

¹¹ OJ C 345, 21.12.1987.

¹² Bull. EC 9-1987, point 2.1.48.

¹³ OJ C 24, 1.1.1987; Bull. EC 10-1986, point 2.1.50; Bull. EC 9-1987, point 2.150.

¹⁴ COM(87) 634 final.

ments that it does not accept and its opinion on them.

Telecommunications, information technology and innovation

Telecommunications

Green Paper

2.1.66. On 18 November, the Economic and Social Committee delivered its opinion on the Commission's Green Paper on the development of the common market for telecommunications services and equipment¹ (→ point 2.4.40).

RACE

2.1.67. On 18 November, Parliament adopted, under the cooperation procedure, amendments² to the common position of the Council³ on the proposal for a Decision on a Community programme in the field of advanced telecommunications technologies in Europe (RACE),⁴ with particular reference to the type of committee proposed and the need to ensure that the programme did not increase regional disparity. The Commission accepted these amendments.

2.1.68. On 26 November the Commission transmitted to the Council its revised proposal together with an explanation of its view on amendments suggested by Parliament which it had not supported.⁵

Information technology

Esprit

2.1.69. On 18 November Parliament adopted a legislative resolution embodying its opinion (first reading)² on the Commission proposal regarding the second phase of the R&D programme in information technology (Esprit).⁶ The Com-

mission accepted the amendments called for by Parliament (reduction of regional disparity, job creation, consultation of the two sides of industry, participation of small businesses), except the one requesting that a least 25% of the Community's total contribution to new projects launched under the programme should be allocated each year to new projects which do not require R&D efforts in excess of 50 man-years.

Combined use of IT and telecommunications in general applications

Advanced informatics in medicine (AIM)

2.1.70. The Economic and Social Committee delivered its opinion on the proposal for a Council Regulation on Community action in the field of information technology and telecommunications applied to health (AIM) — pilot phase (→ point 2.4.38).⁷

Innovation

2.1.71. Evaluation of the first year of transnational cooperation between industrial research associations and assessment of various Community measures to modernize traditional industries were the themes of a symposium held in Luxembourg on 12 and 13 November. Both activities operate under the Strategic Programme for Innovation and Technology Transfer (Sprint),⁸ whose main purpose is to help overcome obstacles to the introduction of new technologies. More than 100 representatives from industrial research associations discussed ways and means of improving transnational cooperation, in particular providing better

¹ Bull. EC 6-1987, point 1.4.1.

² OJ C 345, 21.12.1987.

³ Bull. EC 9-1987, point 2.1.52.

⁴ OJ C 304, 28.11.1986; Bull. EC 10-1986, point 2.1.44.

⁵ COM(87) 618 final.

⁶ OJ C 283, 21.10.1987; Bull. EC 7/8-1987, point 2.1.65.

⁷ Bull. EC 7/8-1987, point 2.1.69.

⁸ OJ L 153, 13.6.1987; Bull. EC 6-1987, point 2.1.56.

information on new technologies for small businesses.

2.1.72. More than 1 000 organizations replied to the Commission's call for proposals,¹ producing 523 proposals for cooperation projects under the Sprint programme, demonstrating the considerable growth of interest in the programme and in the Commission's activities in the fields of innovation and technology transfer.

Information services

Information market

2.1.73. The Economic and Social Committee delivered an opinion on a proposal for a Council Decision on the establishment at Community level of a policy and a plan of priority action for the development of an information services market (→ point 2.4.39).²

2.1.74. The fourth meeting of the Senior Officials Advisory Group (SOAG) for the Information Market was held in Brussels on 9 November. The group was informed of the progress made in the Council on the Commission communication on the establishment of a policy and a plan of priority action for the development of an information services market.² It was also informed of the outcome of the Commission's call for declarations of interest³ in pilot/demonstration projects for the development of a Community information services market, to which it had received 680 replies.

2.1.75. On 24 November the Commission held a workshop in Luxembourg in which private and government experts took part. The aim was to examine the need and prospects for better synergy between the public and private sectors in the provision and use of advanced information services and to help the Commission prepare relevant guidelines. Participants exchanged views on the situation in the Member States, focusing on the following issues: encouraging the use by companies of public-sector data and

information; legal conditions for the private-sector exploitation of public-sector data; pricing; principles of information services and data provision by the public sector; market support and development by the public sector. The Commission guidelines will take account of the views expressed by workshop participants and SOAG members and will be presented at a further workshop in the summer of 1988.

Customs union and indirect taxation

Customs union

Simplification of customs formalities

2.1.76. The Conventions between the Community and the EFTA countries on the simplification of formalities (single administrative document)⁴ and on a common transit procedure⁵ for trade between the Contracting Parties were ratified by all parties by 1 November and will accordingly enter into force on 1 January 1988 as planned.⁶

2.1.77. On 30 November the Council adopted three Decisions⁷ accepting on behalf of the Community:

(i) the Recommendation of the Customs Cooperation Council of 22 May 1984 concerning use of codes for the representation of data elements and four of its Annexes;

(ii) Annexes E5 and F3 to the International Convention on the Simplification and Harmonization of Customs Procedures.

¹ OJ C 196, 25.7.1987.

² OJ C 249, 17.9.1987; Bull. EC 7/8-1987, point 2.1.71.

³ OJ C 188, 17.7.1987; Bull. EC 7/8-1987, point 2.1.71.

⁴ OJ L 134, 22.5.1987; Bull. EC 4-1987, point 2.1.47; Bull. EC 5-1987, point 2.1.53.

⁵ OJ L 226, 13.8.1987; Bull. EC 6-1987, point 2.1.59; Bull. EC 5-1987, point 2.1.54.

⁶ OJ L 330, 21.11.1987.

⁷ OJ L 362, 22.12.1987.

General legislation

Customs debt

2.1.78. On 30 November the Council adopted a joint position on the proposal for a Regulation determining the persons liable for payment of a customs debt.¹ This proposal is intended to supplement the Council Regulation of 13 July 1987 on customs debt.²

Accession-related measures

2.1.79. On 11 November the Commission adopted a Regulation³ amending and supplementing its Regulation of 28 February 1986 on transitional measures applicable to trade within the Community in goods obtained in Spain, in Portugal or in another Member State under a procedure for the relief from, or drawback of, customs duties or other import charges — compensatory levy.⁴

Common Customs Tariff

Tariffs

Accession-related measures

2.1.80. On 26 November the Commission sent the Council a proposal for a Regulation concerning the basic duties to be adopted in the Community of Ten for the purpose of calculating the successive reductions provided for in the Act of Accession of Spain and Portugal.⁵

Nomenclature

2.1.81. On 25 November the Commission sent the Council a draft Decision of the Representatives of the Governments of the Member States of the European Coal and Steel Community, meeting within the Council, on the nomenclature and rates of conventional duty for certain products and the general rules for interpreting and applying the said nomenclature and duties.⁶

Once adopted, the Decision will extend beyond 31 December 1987 the validity of the provisions of the Decision of 13 January 1975, which called on the Member States to refer at Community level to the preliminary provisions of the CCT for the interpretation and application of the nomenclature and duties applicable to products coming under the ECSC Treaty.⁷

Tariff and statistical nomenclature

2.1.82. On 9 November the Council adopted, on a proposal from the Commission,⁸ a Regulation on the application of the Combined Nomenclature to the statistics of trade between Member States,⁹ amending the Regulation of 24 June 1975 on the external trade statistics of the Community and statistics of trade between its Member States.¹⁰

Economic tariff matters

Suspensions

2.1.83. On 30 November the Council adopted a Regulation temporarily suspending the autonomous CCT duties on a number of products intended for the construction, maintenance and repair of aircraft.

Tariff quotas

2.1.84. During November the Council adopted Regulations opening, allocating and providing for the administration of Community tariff quotas for the following products:

¹ OJ C 340, 28.12.1982; Bull. EC 12-1982, point 2.1.32; OJ C 189, 17.7.1984; Bull. EC 6-1984, point 2.1.30.

² OJ L 201, 22.7.1987; Bull. EC 7/8-1987, point 2.1.73.

³ OJ L 348, 11.12.1987.

⁴ OJ L 52, 28.2.1986; Bull. EC 2-1986, point 2.1.48.

⁵ COM(87) 433 final.

⁶ COM(87) 562 final.

⁷ OJ L 10, 16.1.1979.

⁸ OJ C 185, 15.7.1987; Bull. EC 7/8-1987, point 2.1.82.

⁹ OJ L 321, 11.11.1987.

¹⁰ OJ L 183, 14.7.1985.

(i) Chinese cabbages falling with CCT subheading 07.01 B ex III, originating in the Canary Islands (1987);¹

(ii) fresh table grapes falling within Combined Nomenclature subheading ex 0806 10 15, originating in the Canary Islands (1988);

(iii) concentrated pear juice falling within Combined Nomenclature subheading 2009 80 11 or 2009 80 19, originating in Austria (1988);¹

(iv) certain wines having a registered designation of origin, falling within CCT subheading ex 22.05 C, originating in Tunisia (1987/88).²

Generalized tariff preferences³

2.1.85. On 17 November and 3 December respectively the Council adopted Regulations applying generalized tariff preferences for 1988 to industrial and agricultural products and to textile products originating in developing countries (→ point 2.2.42).

Community surveillance of imports

2.1.86. In November the Commission adopted a Regulation establishing ceilings and Community surveillance for imports of carrots and onions falling within Combined Nomenclature subheading ex 0706 10 00 or ex 0703 10, originating in the ACP States or in the overseas countries and territories (1988).⁴

Origin

2.1.87. On 6 November the Commission sent the Council proposals for five Regulations on the application of Decisions of the EEC-Algeria, EEC-Egypt, EEC-Jordan, EEC-Lebanon and EEC-Tunisia Cooperation Councils amending, on account of the accession of Spain and Portugal to the European Communities, the Protocols concerning the definition of the concept of 'originating products' and methods of administrative cooperation.⁵ The purpose of these proposals is to make certain techni-

cal amendments made necessary by the accession of Spain and Portugal and in particular to insert into the Protocols the origin rules to be applied in trade between Ceuta and Melilla and the Canary Islands on the one hand and the five Mediterranean countries in question on the other.

Indirect taxation

2.1.88. On 16 November the Council had a preliminary exchange of views on the Commission's communication and proposals for Directives on the elimination of tax frontiers.⁶

Turnover taxes

2.1.89. On 16 November the Council continued its examination of the proposal for an 18th Directive on the harmonization of the laws of the Member States relating to turnover taxes,⁷ which concerns the elimination of certain derogations provided in Article 28(3) of the sixth VAT Directive of 17 May 1977.⁸

2.1.90. To take account of the changes suggested by Parliament in the opinion it delivered on 18 June,⁹ the Commission sent to the Council on 4 November a number of amendments¹⁰ to the proposal¹¹ for a Directive amending the sixth VAT Directive of 17 May 1977⁸ in respect of the special scheme for small businesses. The amendments increase the upper limit on turnover from 150 000 ECU to 200 000 ECU, offer small businesses the possibility of choosing a tax period of less than one year and enable

¹ OJ L 328, 19.11.1987.

² OJ L 340, 2.12.1987.

³ For iron and steel products, see points 2.1.48 and 2.2.42.

⁴ OJ L 335, 25.11.1987.

⁵ COM(87) 495 final.

⁶ Bull. EC 7/8-1987, point 1.2.1 *et seq.*

⁷ OJ C 183, 11.7.1987; Bull. EC 6-1987, point 2.1.68; OJ C 347, 29.12.1984; Bull. EC 12-1984, point 2.1.77.

⁸ OJ L 145, 13.6.1977; Bull. EC 6-1977, points 1.3.1 to 1.3.4.

⁹ OJ C 190, 20.7.1987; Bull. EC 6-1987, point 2.1.71.

¹⁰ OJ C 310, 20.11.1987.

¹¹ OJ C 272, 28.10.1986; Bull. EC 7/8-1986, point 2.1.89.

taxable persons eligible for the simplified scheme to opt for the normal VAT scheme.

2.1.91. The Commission withdrew its proposal for a seventh Directive on the harmonization of the laws of the Member States relating to turnover taxes — common system of value-added tax to be applied to works of art, collectors' items, antiques and used goods.¹

Discussions in the Council had led the Presidency to adopt a formulation for the Directive which would have increased the differences between Member States, would not have instituted a permanent system for taxation and would not have covered cross-border transactions. This would have deprived the proposal of its original purpose.

At its meeting on 16 November the Council took note of the withdrawal of the proposal and of the Commission's intention to put up a new proposal in the near future.

Competition

General rules applying to undertakings

2.1.92. On 30 November the Council took a generally positive attitude to the broad lines of the approach to merger control being proposed by the Commission;² discussion is to continue in the first half of 1988.

Restrictive practices, mergers and dominant positions: specific cases

2.1.93. In a judgment³ delivered on 17 November the Court of Justice upheld the Commission decision of March 1984 concerning arrangements involving two tobacco multinationals, Philip Morris Inc. and Rembrandt Group Ltd.⁴

The importance of the case for the development of the Community's competition policy lies in the Court's ruling that Article 85 of the EEC Treaty is applicable to agreements whereby a company acquires control of a competitor by buying shares or making arrangements for cooperation between them. The key issue is whether the agreement gives rise to actual or potential influence by one company over the business activities of the other. Market conditions and the particular circumstances of the companies involved must always be carefully examined by the Commission.

As regards Article 86 of the Treaty, which prohibits abuses of a dominant position in the whole or a substantial part of the common market, the Court confirmed the view that acquisition by a company of control or influence over a competitor may be prohibited as incompatible with the common market.

Mergers

United Kingdom

2.1.94. On 17 November the Commission granted the authorization required by the ECSC Treaty for the acquisition by Coalite Group PLC of Reid Holdings Ltd.

Coalite's main activities comprise solid smokeless fuel manufacture, oil and chemicals processing, fuel distribution, vehicle-building and distribution, transport, warehousing, waste disposal, builders merchandising and shipping services. Reid is an industrial holding company whose subsidiaries are likewise engaged in solid and liquid fuel trading, including distribution. The principal effect of the merger on competition will therefore be an increase in Coalite's already important solid fuel distri-

¹ OJ C 26, 1.2.1978; OJ C 136, 31.5.1979.

² OJ C 92, 31.10.1973; OJ C 36, 12.2.1982; OJ C 51, 23.2.1984; Bull. EC 2-1984, point 2.1.42.

³ Cases 142/84 and 156/84 *British American Tobacco Company Ltd and J. R. Reynolds Industry Inc. v Commission*.

⁴ Bull. EC 3-1984, point 2.1.43.

bution business in the United Kingdom. But the merger will help to counterbalance the market strength of British Coal, the main supplier of solid fuels to the United Kingdom market. The Commission has concluded therefore that the transaction is unlikely to give Coalite the power to determine prices, to control or restrict distribution or to hinder effective competition, in the terms of Article 66(2) of the ECSC Treaty.

State aid

General schemes

Belgium

2.1.95. On 4 November the Commission decided to raise no objection to the implementation of Royal Order No 486 of 31 December 1986 which changed the rules governing the Industrial Conversion Fund.

In addition to its regional function, governed by Section 50 *et seq.* of the Economic Recovery Act of 31 July 1984,¹ the Fund also channels central government money to the public investment corporations, for investment projects, and to the regional executives, for conversion, development or research projects to be carried out by authorities or other bodies which they designate.

The Belgian Government has given a formal undertaking that in carrying out such projects the public investment corporations and regional executives will comply with Commission policy on holdings acquired in company capital by public undertakings, and with the rules on State aid laid down in Article 93(3) of the EEC Treaty and in secondary legislation, particularly the rules requiring notification of significant individual cases under existing aid schemes.

The Netherlands

Research and development

2.1.96. On 4 November the Commission decided to raise no objection to the

implementation of two Dutch schemes of assistance to research and development in industry. One scheme, 'programmed business-oriented stimulation of technology' (PBTS), with total funding of 34.4 million ECU, concerns domestic industrial research, while the other, 'business-oriented stimulation of technology in international projects' (BTIP), with funding of 12 million ECU, is designed particularly to finance Dutch participation in the Eureka project.

Regional aid

Germany

2.1.97. On 17 November the Commission terminated the procedure which it had initiated under Article 93(2) of the EEC Treaty in December 1986² in respect of the amended legislation on investment assistance (*Investitionszulagengesetz*), which opened up possibilities for combination with one another and with other aid schemes of three forms of assistance, for energy, regional and R&D investment respectively.

The Commission took this decision in the light of the fact that the German Government had now agreed to apply the Commission's rules on the combination of different forms of aid, which in general would require notification of all individual cases where aid exceeded an intensity of 25% in net grant equivalent or a volume of 12 million ECU. The government had also introduced specific ceilings for the combination of different forms of aid; the ceilings clearly indicated the maximum permissible intensity which could be arrived at by combining different schemes, so as to reduce the number of notifications while still maintaining a high level of transparency. In view of their transparency, their specific character and the levels they laid down, the ceilings' limiting scope for combination of the three forms of investment aid could now be

¹ Bull. EC 7/8-1987, point 2.1.106.

² Bull. EC 12-1986, point 2.1.115.

considered compatible with the common market.

Industry schemes

Shipbuilding

Germany

2.1.98. On 18 November the Commission granted the authorization required by the Sixth Council Directive on aid to shipbuilding¹ for a plan to assist the Lindenau shipyard, which was put into receivership in February 1987, and a plan to assist the new company Lindenau GmbH Schiffswerft & Maschinenfabrik, which took over the assets of the old Lindenau yard in order to save it from bankruptcy. The various aids granted to the new company will serve to finance investments and production. The Commission has advised the German Government that further production aid to the yard up to the end of 1988 must be limited to the difference between 21% and the prevailing aid ceiling, currently set at 28%. The Commission also approved assistance towards the cost of a social scheme for vocational training at the yard.

Italy

2.1.99. On 18 November the Commission adopted a negative decision on an Italian Government plan to assist shipbuilding and ship repair. The Commission had initiated the Article 93(2) procedure in respect of the plan in July 1986;² the particular measure which fell under Section 10 of the Italian Act No 111 of 22 May 1985 provided for grants to large yards based on the value of certain stocks held by them, and was to have covered the period 1984-86. The Commission took the view that these grants, coming on top of what was already very substantial assistance to shipyards, ran counter to the objectives laid down by Article 6 of the Fifth Directive on aid to shipbuilding. The aid would amount to operating aid, and was liable to slow down the restructuring process by artificially

maintaining some yards in operation. Moreover, the addition of this assistance to the production aid already authorized would increase the overall intensity, whereas Article 6 expressly required that it be run down over time.

The Commission decided not to oppose fresh funding for the scheme established by Act No 111 of 1985; a further LIT 600 000 million was to be provided for aid towards orders received by the large yards up to 31 December 1986. It also decided not to oppose fresh funding of LIT 55 000 million for aid to small and medium-sized yards under the same Act.

But the Commission initiated the Article 93(2) procedure in respect of fresh funding of LIT 145 000 million under the same Act No 111 to cover the surplus of orders received by small and medium-sized yards before the end of 1986. The vessels qualifying for production aid at the rate which the Commission had approved in June 1985 for the period 1984-86³ had proved more expensive than estimated, and the Commission accepted that there were grounds for fresh funding for all yards here. In addition, the Act of December 1986 providing for aid to shipowners had led to a rush of orders that month; here too there was a need for extra financing, and the Commission accepted that further funding would be justified on this ground in the case of the large yards, given that the restructuring plan had been applied strictly and continued in 1987. But no such plan had yet been drawn up for the small and medium-sized yards, and the total tonnage qualifying for further assistance would far exceed that authorized in June 1985.

Steel

Germany

2.1.100. On 4 November the Commission decided to authorize aid towards the closure

¹ OJ L 69, 12.3.1987; Bull. EC 1-1987, point 2.1.49.

² Bull. EC 7/8-1986, point 2.1.83.

³ Bull. EC 7/8-1985, points 2.1.61 and 2.1.63.

of the Bavarian steel company Maxhütte, now being wound up. The German authorities would take over the company's obligations to workers made redundant previously, and would pay a tideover allowance to the workers made redundant now. The Commission took the view that this assistance satisfied the conditions of Article 4(1) of the Decision of 27 November 1985.¹ This is the first time that aid of this kind has been authorized under that Decision.

Aluminium

Germany

2.1.101. On 17 November the Commission adopted a negative decision against an unlawful grant of DM 2 million by the authorities of Baden-Württemberg to the aluminium producer BUG-Alutechnik, in respect of which it has initiated the Article 93(2) procedure in January 1986.² The Commission took the view that the grant was incompatible with the common market since it served mainly to strengthen the position of the company in a saturated market and made no contribution to solving the problems of the industry at Community level. The Commission's decision requires the German Government to recover DM 2 million from the company. Kaiser Aluminium, the parent company of BUG-Alutechnik, has recently been taken over by the Dutch steelmaker Hoogovens. The German authorities have two months in which to comply with the decision.

Motor industry

France

2.1.102. On 4 November the Commission decided to initiate the Article 93(2) procedure in respect of the French Government plan to pay off debts of FF 12 000 million owed by Renault to the publicly-owned bank Crédit National, in order to facilitate the change in Renault's status from that of a nationalized company to that of an ordinary public limited company. The Commission took the view that the planned

measure constituted aid within the meaning of Article 92(2), and would discharge the heavily indebted Renault group of part of its financial charge and thus give it a competitive advantage over other Community manufacturers. In the absence of any detailed information on the technical and financial aspects of the restructuring plan and the precise terms of the planned aid, the Commission held that it did not qualify for any of the exemptions provided for in Article 92(2) or (3).

Mining

Italy

2.1.103. On 4 November the Commission decided not to oppose fresh funding for the Italian scheme of assistance to the Sicilian sulphur mines, to be made available under Act No 28/87 of the region of Sicily. In taking its decision the Commission took account in particular of the fact that work in the mines had almost come to a halt and that the new money to be provided, amounting to LIT 56 000 million, was intended to finance early retirement and the upkeep of old mines. The aid was therefore not liable adversely to affect trading conditions to an extent contrary to the common interest.

Tourism

Italy

2.1.104. On 18 November the Commission decided to raise no objection to schemes to promote rural holidays in two regions of Italy. An Act of the region of Emilia-Romagna makes provision for grants of 40%, or in hill-farming areas 50%, of the costs of investment in the conversion of buildings and farmland to increase farmhouse holiday and campsite capacity. The scheme would apply for three years (1986-88), and would have a total budget of LIT

¹ OJ L 340, 18.12.1985; Bull. EC 11-1985, point 2.1.25.

² Bull. EC 1-1987, point 2.1.51.

5 000 million (4 million ECU). Secondly, an Act of the region of Umbria provides for grants for similar purposes amounting to 35 %, or in hill-farming areas 45 %, of the cost of investment. The total funding set aside is LIT 650 million (0.43 million ECU) for 1987, and LIT 150 million (0.1 million ECU) each year for the period 1988 to 2001.

Financial institutions and company law

Financial institutions

Banks and other financial institutions

2.1.105. On 18 November Parliament adopted a legislative resolution¹ embodying its opinion in first reading on the proposal for a Directive on the obligations of branches established in a Member State by credit institutions and financial institutions having their head offices outside that Member State regarding the publication of annual accounting documents.² Parliament called on the Commission to make the amendments it had approved and invited the Council to incorporate them in the common position which it will adopt in accordance with Article 149(2)(a) of the Treaty.

Insurance

2.1.106. On 26 November the Commission sent to the Council a communication³ on the proposal for a second coordination Directive on non-life insurance (freedom to supply services).⁴ The communication sets out the Commission's position regarding the compromise solution being discussed with the Council.

2.1.107. At its meeting on 30 November the Council (internal market) resumed examination of that proposal⁴ for a second Directive on the coordination of laws, regu-

lations and administrative provisions relating to direct insurance other than life assurance and freedom to provide services in that field.

Stock exchanges and other institutions in the securities field

2.1.108. On 16 November the Council, acting on a qualified majority, adopted a common position on a proposal for a Directive⁵ amending, as regards the investment policy of certain undertakings for collective investment in transferable securities (Ucits), the limits laid down in Article 22 of the Directive of 20 December 1985 on Ucits.⁶

Company law, company taxation and capital movements

Disclosure requirements in respect of branches of companies

2.1.109. On 18 November Parliament adopted a legislative resolution¹ embodying its opinion in first reading on the proposal for an 11th Directive concerning disclosure requirements in respect of branches of companies.⁷ Parliament approved the legal basis proposed for the Directive; it called on the Commission to make the amendments it had approved and invited the Council to incorporate them in the common position which it will adopt in accordance with Article 149(2)(a) of the Treaty.

¹ OJ C 345, 21.12.1987.

² OJ C 230, 11.9.1986; Bull. EC 7/8-1986, point 2.1.86.

³ COM(87) 643 final.

⁴ OJ C 32, 12.2.1976.

⁵ OJ C 155, 21.6.1986; Bull. EC 5-1986, point 2.1.61.

⁶ OJ L 375, 31.12.1985; Bull. EC 12-1985, point 2.1.82.

⁷ OJ C 203, 12.8.1986; Bull. EC 7/8-1986, points 2.1.16 and 3.5.1.

Employment, education and social policy

Employment

Standing Committee on Employment

2.1.110. The Standing Committee on Employment held its 34th meeting¹ on 5 November with Mr Dyremose, Denmark's Minister for Labour, in the chair. The work of this meeting was devoted to the problem of long-term unemployment on the basis of a memorandum from the Commission.²

At the end of the meeting, the Chairman drew a number of conclusions, the most important of which are summarized below:

- (i) the fight against long-term unemployment required comprehensive action to sustain growth. All aspects of the cooperative strategy had therefore to be developed;
- (ii) specific targeted operations were necessary, whether these were of a preventive nature or aimed at reintegrating the long-term unemployed in the labour market;
- (iii) early and systematic assistance for the unemployed and development of services providing information and advice produced significant results;
- (iv) training adapted to the needs of individuals and markets providing genuine employment prospects constituted a suitable response;
- (v) redefinition of the assistance provided by the structural Funds and a substantial increase in the level of such assistance were indispensable to successful completion of the internal market and the implementation of a genuine social policy.

Since, in spite of the efforts made, long-term unemployment continues to be a worrying problem, the Committee asked the Commission to draw up an action programme with the following aims: cooperative action

drawing on practical experience and pilot projects; exchange of information; improved statistics on long-term unemployment.

Employment and the labour market

2.1.111. On 18 November,³ the Commission sent the Council a report on the follow-up to the Council Resolution of 22 December 1986 on an action programme on employment growth.⁴ This report drawn up by the Commission in response to the request by the Council in its 1986 resolution, sets out progress made in implementing the programme and outlines future developments.

2.1.112. A meeting of heads of employment policy departments and directors of employment exchanges in the Member States was held on 3 and 4 November at which the Commission memorandum on long-term unemployment was discussed.² On the whole, the delegates accepted the Commission's analysis and conclusions and agreed on the need to offer the long-term unemployed an integrated range of programmes suitable to their needs. The follow-up to the action programme on employment growth⁴ was also discussed on the basis of the report drawn up by the Commission (→ point 2.1.111).

The meeting also discussed the internal development of Misep,⁵ Elise,⁶ and Sedoc,⁷ the results already obtained and the follow-up to the action programme on the development of local employment markets. The proposal for a Regulation on a specific programme of social measures to

¹ Bull. EC 6-1987, point 2.1.87.

² Bull. EC 5-1987, point 2.1.94.

³ COM(87) 474 final.

⁴ OJ C 340, 31.12.1986; Bull. EC 12-1986, point 2.1.138.

⁵ Mutual information system on employment policies in Europe.

⁶ European system of information exchanges for local employment initiatives.

⁷ European system for the international clearing of vacancies and applications for employment.

assist workers in the shipbuilding industry¹ met with a favourable reception from all the delegations.

2.1.113. A seminar was held on 12 and 13 November in Lyons as part of the Commission programme to encourage cross-frontier cooperation by national employment services. The directors of the French and Italian employment services, in cooperation with employers in the Piedmont and Rhône-Alpes areas have decided to carry out two joint projects, one on vocational training and the other on vocational guidance.

Sectoral aspects of employment policy

2.1.114. On 26 and 27 November a seminar, organized by the Commission, was held in Luxembourg on the topic of employment trends in the banking sector, at which the employment structure in banks was examined with particular reference to the social consequences deriving from completion of the internal market.

Dialogue with the two sides of industry

2.1.115. The Working Party on New Technologies and the Social Dialogue chaired by Mr Manuel Marín, Vice-President of the Commission with special responsibility for employment, social affairs and education met on 10 November and continued its discussion of problems relating to adaptability and flexibility of the labour market. Two main topics were dealt within: the organization and content of work and the organization of working time within firms. However, it proved impossible to reach a consensus on these topics.

Financial instruments

Aid for workers in the shipbuilding industry

2.1.116. On 19 November the Economic and Social Committee delivered its opinion

(→ point 2.4.42) on the Commission's second communication on the industrial, social and regional aspects of shipbuilding.²

Education and vocational training

Cooperation in the field of education

2.1.117. At the meeting between Commission representatives and education experts from the EFTA countries on 13 November, the participants examined recent developments in education within the Community, particularly with regard to the Comett³ and Erasmus⁴ programmes. They agreed to meet again in the spring of 1988.

2.1.118. Following the visit to China by Mr Delors, President of the Commission, in July 1986,⁵ there were discussions between the Commission and the Chinese authorities on the general approach to cooperation on vocational training between the Community and the People's Republic of China.

2.1.119. On 20 November, the European Parliament adopted a resolution on the European dimension in schools (→ point 2.4.18).⁶

Higher education

2.1.120. On 24 and 25 November, the Erasmus Advisory Committee met⁷ to discuss the implementation of the programme⁴ during its first year and the measures to be taken to promote the programme during the 1988/89 academic year.

¹ OJ C 291, 31.10.1987; Bull. EC 7/8-1987, point 2.1.132.

² OJ C 291, 31.10.1987; Bull. EC 7/8-1987, points 2.1.19, 2.1.132 and 2.1.156.

³ OJ L 222, 8.8.1986; Bull. EC 7/8-1986, point 2.1.195.

⁴ OJ L 166, 25.6.1987; Bull. EC 5-1987, points 1.3.1 and 1.3.2.

⁵ Bull. EC 7/8-1986, point 2.2.29.

⁶ OJ C 345, 21.12.1987.

⁷ Bull. EC 7/8-1987, point 2.1.134.

On 18 November, the first meeting of national bodies responsible for awarding grants was held, as provided for in Action 2 of the Erasmus programme (Erasmus grants awarded to students).

2.1.121. On 20 November, the European Parliament adopted an opinion¹ on the proposal for a Decision adopting an action programme for the training and preparation of young people for adult and working life.² Parliament approved the proposal subject to the amendments it had adopted and which it called on the Commission to adopt. It reserved the right to open the conciliation procedure should the Council intend to depart from the approved text.

2.1.122. In response to these opinions from the European Parliament, the Commission transmitted to the Council on 25 November an amended version³ of its proposal for a Decision adopting the action programme.

Transition from school to working life

2.1.123. As part of the series of high-level conferences to disseminate the results of the programme on the transition of young people from education to adult and working life,⁴ the Italian authorities organized, with the support of the Commission, a conference in Sorrento on 17 and 18 November which was attended by a large number of senior industrialists and educationalists from Italy and the Community with the aim of improving knowledge of the 'Schools — industry' interface.

Vocational training

2.1.124. On 19 and 20 November, the first meeting of national experts concerned with establishing the comparability of vocational training qualifications of skilled workers in the textile and clothing sectors was held in Luxembourg. The purpose of the meeting, organized by Cedefop (European Centre for the Development of Vocational Training)

in Berlin, was to define the fields of activity in this area in order to start the two parallel cycles of technical work which will be necessary.

Youth exchanges

2.1.125. On 6 November, the Commission held a consultative meeting of representatives of governments and other organizations on the implementation of the third joint programme to encourage the exchange of young workers.⁵ During this meeting it emerged that with a budget equivalent to 1986 the number of young trainees had risen by 8%, the proportion of young women was constantly rising (50% of the total) and young job-seekers accounted for 46% of the participants.

New technologies

2.1.126. The Comett Committee met on 11 and 12 November in Brussels. It discussed the Comett projects which the Commission intends to support following the second round of the call for applications in 1986-87⁶ and the development of the programme in 1988 in the light of the Council Decision of 24 July 1986.⁷

Living and working conditions and social protection

Equal opportunities for women and men

2.1.127. As decided in October,⁸ on 24 November the Commission adopted a recommendation on vocational training for

¹ OJ C 345, 21.12.1987.

² OJ C 90, 4.4.1987; Bull. EC 3-1987, point 2.1.96.

³ OJ C 4, 8.1.1988; COM(87) 619 final.

⁴ OJ C 38, 19.2.1976.

⁵ OJ L 331, 19.12.1984; Bull. EC 12-1984, point 2.1.93.

⁶ Bull. EC 7/8-1987, point 2.1.136.

⁷ OJ L 222, 8.8.1986; Bull. EC 7/8-1986, point 2.1.95.

⁸ Bull. EC 10-1987, point 2.1.86.

women.¹ The recommendation is addressed to the Member States and has been transmitted to the Council, Parliament and the Economic and Social Committee.

2.1.128. The Commission, in conjunction with the Fawcett Society (United Kingdom) organized the fourth European colloquium of women's organizations on the subject of 'campaigning for change', which was held in London on 6 and 7 November. The organizations called for the creation of a European women's organization in order to exert pressure on Community institutions.

2.1.129. The Danish Ministry of Labour organized in cooperation with the Commission a seminar on measures in favour of women without vocational training who are unemployed or who risk becoming unemployed. The seminar was held from 18 to 20 November in Aarhus.

2.1.130. The Expert Network on the Application of the Equality Directives met in Brussels on 30 November. The summary report for 1987 was discussed, which deals with the burden of proof, indirect discrimination, equal opportunities, collective agreements and legal positive action. It was agreed that the work programme for 1988 would concentrate on sanctions, exclusions, social security, and the implementation of the Directive of 19 December 1978,² and the first steps towards setting up a Community data base on equal opportunities.

Social integration of handicapped persons

2.1.131. In response to the opinions of the European Parliament³ and the Economic and Social Committee,⁴ the Commission transmitted to the Council on 9 November⁵ amendments to its proposals for Decisions⁶ establishing a second Community action programme to assist people with disabilities.⁷

2.1.132. On 3 November, the Commission organized a meeting of the Working Party

on the Employment of Disabled People. The meeting discussed the preparation of national reports on the implementation of the Council recommendation on the employment of disabled people.⁸ The Commission will present a report to the Council on the basis of the national reports.

Freedom of movement for migrant workers

2.1.133. On 20 November the European Parliament adopted a resolution on regional problems and migratory movements (→ point 2.4.18).⁹

Paul Finet Foundation

2.1.134. The Executive Committee of the Paul Finet Foundation examined 195 applications and awarded 168 grants totalling BFR 833 887.

Health and safety

Public health

2.1.135. As part of the action following the resolution adopted by the Council and Ministers for Health meeting within the Council on 29 May 1986 on alcohol abuse,¹⁰ the Commission held a workshop on alcohol, technical results and problems in Europe. The workshop gave rise to an exchange of views on the advertising of alcoholic drinks and their consumption, the conflict between the interests of consumers, producers and governments in alcohol con-

¹ OJ L 342, 4.12.1987.

² OJ L 6, 10.1.1979.

³ OJ C 305, 16.11.1987; Bull. EC 10-1987, point 2.1.89.

⁴ Bull. EC 10-1987, point 2.1.90.

⁵ COM(87) 544 final.

⁶ OJ C 257, 28.9.1987; Bull. EC 7/8-1987, point 2.1.141.

⁷ OJ C 347, 31.11.1981; Bull. EC 12-1981, point 2.1.64.

⁸ OJ L 225, 12.8.1986; Bull. EC 7/8-1986, point 2.1.105.

⁹ OJ C 345, 21.12.1987.

¹⁰ OJ C 184, 23.7.1987; Bull. EC 5-1986, points 2.1.66 and 2.1.97.

sumption and the effect of changing consumption on health problems.

Health and safety at work

2.1.136. On 12 and 13 November the Commission transmitted to the Council:

(i) an amended proposal¹ for a Directive on the protection of workers by the prescription of specified agents and/or work activities;²

(ii) an amended proposal³ for a Directive on the protection of workers from the risks related to exposure to benzene at work;⁴

(iii) an amended proposal⁵ for a Directive⁶ amending the Directive of 27 November 1980 on the protection of workers from the risks related to exposure to chemical, physical and biological agents at work.⁷

The Commission had presented three proposals for Directives under Article 100 of the EEC Treaty on the approximation of national provisions that have an effect on the establishment or the functioning of the common market. Since the entry into force of the Single Act,⁸ improvement of the protection of the health of workers and continuing harmonization of the conditions in this field comes under Article 118 A which enables the Council to act by a qualified majority on a proposal from the Commission, in cooperation with the European Parliament and after consulting the Economic and Social Committee. The Commission had therefore amended the legal basis and adapted the recitals in its proposals to the new legal basis.

2.1.137. The 22nd plenary meeting⁹ of the Advisory Committee on Safety, Hygiene and Health Protection at Work was held in Luxembourg on 24 and 25 November. The Committee adopted two opinions on the proposed Directives on individual protective equipment and machines.

Health and safety (Euratom)

2.1.138. On 13 November the Commission delivered a favourable opinion, under Article 33 of the Euratom Treaty, on two draft Regulations by the United Kingdom in the field of radiation protection pursuant to the Directive of 3 September 1984 on the radiation protection of persons undergoing medical examinations and treatment.¹⁰

2.1.139. On 19 November the Economic and Social Committee adopted an opinion on the social aspects of the internal market (→ point 1.1.12).

Culture

Literary translation

2.1.140. On 9 November the Council and the Ministers for Cultural Affairs meeting within the Council adopted a resolution on the promotion of translation of important works of European culture,¹¹ taking account of Parliament's resolutions of 18 January 1979¹² and 18 November 1983¹³ on literary translation and the Commission communication to the Council of 27 November 1985 on the European dimension with regard to books¹⁴ and noting the setting-up of an Advisory Committee on Books. The resolution recognized the value

¹ OJ C 3, 7.1.88; COM(87) 516 final.

² OJ C 270, 10.10.1984; Bull. EC 9-1984, point 2.1.51; Bull. EC 6-1985, point 2.1.82.

³ OJ C 333, 11.12.1987.

⁴ OJ C 349, 31.12.1985; Bull. EC 11-1985, point 2.1.88.

⁵ OJ C 326, 5.12.1987.

⁶ OJ C 164, 2.7.1986; Bull. EC 6-1986, point 2.1.125.

⁷ OJ L 327, 3.12.1980; Bull. EC 11-1980, point 2.1.38.

⁸ Supplement 2/86 — Bull. EC.

⁹ Bull. EC 7/8-1987, point 2.1.144.

¹⁰ OJ L 265, 5.10.1984; Bull. EC 9-1984, point 2.1.55.

¹¹ OJ C 309, 19.11.1987.

¹² OJ C 39, 12.2.1979; Bull. EC 1-1979, point 2.3.21.

¹³ OJ C 342, 19.12.1983; Bull. EC 11-1983, point 2.4.12.

¹⁴ Bull. EC 11-1985, point 2.1.93; Bull. EC 11-1986, point 2.1.126.

of promoting the translation of important works of European culture, including contemporary works, particularly those in minority languages, into other European languages. The Council and the Ministers agreed to undertake a pilot scheme to provide support for translations and encourage their widest possible distribution and to create annual prizes to encourage European translation.

Berlin — European City of Culture

2.1.141. On 26 November Mr Marín, Commission Vice-President, and Mr Harsemmer, Berlin Senator responsible for culture, announced to the press the inauguration of events surrounding the designation of Berlin as European City of Culture for 1988. Since the Greek Government floated the idea of a European City of Culture, which was adopted in principle on 22 November 1984 by the Ministers for Cultural Affairs meeting within the Council¹ and confirmed by them in 1985,² Athens in 1985, Florence in 1986 and Amsterdam

in 1987 have symbolized European culture in a series of events which have attracted increasing public attention. The first-ever European Cinema Prize will be awarded in Berlin in 1988.

Regional policy

Financial instruments

European Regional Development Fund

ERDF grants

2.1.142. On 26 November the Commission approved the sixth allocation of grants for 1987 from the European Regional Development Fund. It totals 244.17 million ECU and will be distributed among the Member States as shown in Table 4.

¹ Bull. EC 11-1984, point 2.1.75.

² OJ C 153, 22.6.1985; Bull. EC 5-1985, point 2.1.61.

Table 4 — *ERDF grants: sixth 1987 allocation*

	Number of grant decisions	Number of investment projects	Investment assisted (million ECU) ¹	Assistance granted (million ECU) ¹
Belgium	—	—	—	—
Denmark	—	—	—	—
Germany (FR)	—	—	—	—
Spain	39	75	92.27	41.30
Greece	—	—	—	—
France	8	22	27.21	3.43
Ireland	5	27	40.38	11.53
Italy	108	489	227.92	102.46
Luxembourg	—	—	—	—
The Netherlands	—	—	—	—
Portugal	59	332	90.25	42.74
United Kingdom	53	163	118.72	42.71
Total	272	1 108	596.74	224.17

¹ Converted at October 1987 rates.

The sum of 244.17 million ECU breaks down as follows:

(i) 8.26 million ECU to help finance 78 projects in industry, craft industries and the services sector;

(ii) 235.91 million ECU to help finance 1 030 infrastructure projects.

Altogether, these grants will directly help to create 2 214 new jobs and maintain another 886.

This sixth ERDF allocation for 1987 brings the number of projects financed by the Fund since 1975 to 35 644 and the total assistance granted to 18 413.46 million ECU.

Fund Committee

2.1.143. The European Regional Development Fund Committee met on 24 and 25 November to give its opinion on 186 draft grant decisions under the seventh 1987 allocation; it also gave its opinion on six national programmes of Community interest (NPCI), 17 draft decisions to promote internally-generated development of regions (Article 15 of the Fund Regulation) and five non-quota programmes.

Aid for disaster victims

2.1.144. On 11 November the Commission decided to grant emergency aid totalling 250 000 ECU to the families affected by the torrential rains which hit the provinces of Valencia, Alicante and Murcia (Spain) at the beginning of the month, leaving eight people dead according to official figures. The aid is intended to provide immediate relief for the most pressing needs of the worst affected families.

2.1.145. On 19 November Parliament adopted three resolutions calling for Community aid to be granted to the populations of Brittany and Normandy (France), hit by storms, Toscana and Lazio (Italy), affected by torrential rains, and the Spanish provinces of Valencia, Alicante and Murcia, hit by severe floods (→ point 2.4.18).¹

Coordination of structural instruments

Integrated Mediterranean programmes

2.1.146. On 23 November the Advisory Committee on IMPs delivered a favourable opinion on the four draft IMPs concerning Attica, the Aegean Islands, central and eastern Greece and Molise (Italy), adopted by the Commission on 14 October.²

Other integrated approaches

2.1.147. On 19 November the Economic and Social Committee delivered its opinion (→ point 2.4.42) on the Commission's second communication on the industrial, social and regional aspects of ship-building.³

Reform of the structural Funds

2.1.148. On 19 November, in accordance with Article 130d of the EEC Treaty, Parliament and the Economic and Social Committee each adopted an opinion on the comprehensive proposal for reform of the structural Funds adopted by the Commission on 22 July (→ points 1.1.8 and 1.1.9).

Environment and consumers

Environment

European Year of the Environment (EYE)

2.1.149. The Afvaltech trade fair, which was attended by Mr Clinton Davis as Member of the Commission with special responsibility for the environment, took place in Utrecht from 10 to 13 November,

¹ OJ C 345, 21.12.1987.

² Bull. EC 10-1987, points 2.1.109 and 2.1.110.

³ OJ C 291, 31.10.1987; Bull. EC 7/8-1987, points 2.1.19, 2.1.132 and 2.1.156.

within the context of the European Year of the Environment, and this opportunity was taken to announce officially the setting-up of NETT, the European Network for Environmental Technology Transfer. The aim of NETT is to encourage the exchange of know-how between enterprises and organizations in the field of clean technologies which produce little waste, and to encourage firms to adopt such technologies. It will also provide information and advice about the available markets and facilities, existing programmes and sources of finance. The network will be operational as from February 1988: it will take the form of an independent non-profit-making body and be accessible to a wide range of organizations concerned with manufacturing, research and public administration. The intention is not to duplicate the work done by organizations which are already supplying information but rather to encourage them to come together to form the network.

2.1.150. A European conference on the environment and town planning was held in Nice from 17 to 20 November. Its main objective was to show that the steady improvement in European living and working conditions and the priority given to urban problems and their implications are essential factors in economic growth. Moreover, taking the view that cooperation between the various administrative levels and the participation of the private and associated sectors is of vital importance, town planners and representatives of all the Member States, and in particular the mayors of the major cities, came together to evaluate their experience, the available facilities and the methods followed, and to identify the likely trends in environmental management and town planning.

Environment and employment

2.1.151. On 20 November,¹ Parliament adopted an opinion on the proposal for a Decision establishing a five-year Community programme of demonstration projects to illustrate the job-creation potential of environmental measures.²

Prevention and reduction of pollution and nuisance

Protection of the aquatic environment

Protection of the North Sea

2.1.152. The second international conference on the protection of the North Sea was held in London on 24 and 25 November.³ The Commission took part, as did Belgium, France, the Netherlands, Germany, the United Kingdom, Denmark, Sweden and Norway. The participants agreed:

- (i) to phase out incineration of waste at sea by 1995;
- (ii) to phase out the dumping of harmful industrial waste by the end of 1989;
- (iii) to cut by half pollution by nitrates, phosphates and dangerous substances between 1985 and 1995;
- (iv) to outlaw dumping of solid waste from ships;
- (v) to minimize pollution from radioactive discharges.

The decisions taken at this conference constitute real progress in cleaning up the North Sea, and their conclusions show a real awareness of the need for urgent action. Mr Clinton Davis, Member of the Commission with special responsibility for the environment, welcomed the above commitments, which are in line with the Commission's thinking and with the aims of EYE.

Protection of the Rhine

2.1.153. On 18 November (→ point 2.4.43) the Economic and Social Committee delivered an opinion on the proposal for a Decision on a supplement to Annex IV to the Convention for the Protection of the

¹ OJ C 345, 21.12.1987; contrary to what was said in Bull. EC 10-1987, point 2.1.121, Parliament's opinion was adopted on 20 November, not 20 October.

² OJ C 141, 27.5.1987; Bull. EC 2-1987, point 2.1.83.

³ Bull. EC 11-1984, point 2.1.86.

Rhine against Chemical Pollution in respect of carbon tetrachloride and on the Commission's communication to the Council concerning the recommendation of the International Commission for the Protection of the Rhine against pollution as regards monitoring carbon tetrachloride discharges.¹

Limit values and quality objectives for discharges of dangerous substances into the aquatic environment

2.1.154. On 19 November (→ point 2.4.44) the Economic and Social Committee adopted an opinion on the proposal for a Directive² amending Annex II to the Directive of 12 June 1986³ on limit values and quality objectives for discharges of certain dangerous substances included in List I of the Annex to the Directive of 4 May 1976.⁴

Measures to combat air pollution

Exhaust emissions from motor vehicles

2.1.155. On 18 November,⁵ under the cooperation procedure, Parliament adopted a Decision on the Council's common position⁶ on the proposal for a Directive on the approximation of the laws of the Member States relating to measures to be taken against the emission of gaseous pollutants from diesel engines for use in vehicles,⁷ on which it had given its opinion on 19 June.⁸ Parliament amended this common position.

2.1.156. On 18 November⁵ Parliament adopted a Decision under the cooperation procedure on the Council's common position⁶ on the proposal for a Directive⁹ amending the Directive of 21 March 1970 on the approximation of the laws of the Member States relating to measures to be taken against air pollution by gases from engines of motor vehicles (private cars).¹⁰ Parliament approved the Council's common position.

Long-range transboundary air pollution

2.1.157. The Executive Body of the 1979 Geneva Convention on Long-range Trans-

boundary Air Pollution,¹¹ (signed under the auspices of the United Nations Economic Commission for Europe and in force since March 1983)¹² held its fifth session from 16 to 20 November.¹³ The Commission attended on behalf of the Community, which is a contracting party, and helped to draw up a draft protocol to the Convention, on measures to combat nitrogen oxide emissions or their transboundary movements and, in particular, on measures to reduce such emissions.

Noise

Lawnmowers

2.1.158 On 30 November the Council reached common positions regarding the two proposals¹⁴ to amend the Directive of 17 September 1984 relating to the permissible sound power level of lawnmowers.¹⁵ It had agreed in principle to these proposals in October.¹⁶

Controls on chemical substances, industrial hazards and biotechnology

External trade and dangerous chemicals

2.1.159. In the light of Parliament's opinion,¹⁷ the Commission sent to the Council

¹ Bull. EC 9-1987, point 2.1.109.
² OJ C 314, 26.11.1987; Bull. EC 10-1987, point 2.1.124.
³ OJ L 181, 4.7.1986; Bull. EC 6-1986, point 2.1.147.
⁴ OJ L 129, 18.5.1976.
⁵ OJ C 345, 21.12.1987.
⁶ Bull. EC 9-1987, point 2.1.111; Bull. EC 7/8-1987, point 2.1.169.
⁷ OJ C 193, 31.7.1986; Bull. EC 5-1986, point 2.1.110.
⁸ OJ C 190, 20.7.1987; Bull. EC 6-1987, point 2.1.130.
⁹ OJ C 257, 28.9.1987; OJ C 245, 26.9.1985; Bull. EC 6-1985, point 2.1.97 *et seq.*
¹⁰ OJ L 76, 6.4.1970.
¹¹ OJ L 171, 27.6.1981; Bull. EC 6-1981, point 2.1.72.
¹² Bull. EC 3-1983, point 2.1.80.
¹³ Bull. EC 11-1986, point 2.1.157.
¹⁴ OJ C 20, 27.1.1987; Bull. EC 12-1986, point 2.1.194; OJ C 113, 28.4.1987; Bull. EC 4-1987, point 2.1.92.
¹⁵ OJ L 300, 19.11.1984; Bull. EC 9-1984, point 2.1.70.
¹⁶ Bull. EC 10-1987, point 2.1.126.
¹⁷ OJ C 281, 19.10.1987; Bull. EC 9-1987, point 2.1.115.

on 1 December¹ an amendment to its proposal for a Regulation concerning export from and import into the Community of certain dangerous chemicals² and an amendment to its recommendation for a Decision authorizing the Commission to negotiate on behalf of the Community within the framework of the OECD and UNEP the notification and consultation procedures concerning trade in dangerous chemicals.

Dangerous preparations

2.1.160. On 25 November,³ in the light of the opinion delivered by Parliament in its legislative resolution (cooperation procedure),⁴ the Commission presented to the Council an amendment to its proposal for a Directive on the approximation of the laws, regulations and administrative provisions of the Member States relating to the classification, packaging and labelling of dangerous preparations.⁵

2.1.161. On 30 November the Council reached agreement on the outstanding issues with regard to this proposal (→ point 2.1.160), the aim of which is to supplement existing Community legislation in order to allow preparations to be classified and labelled according to the degree of risk they may present. The proposal will be re-submitted to the Council for formal adoption of a common position before the end of the year.

Dangerous substances

2.1.162. On 30 November the Council examined the proposal for a Directive on the inspection and verification of the organizational processes and conditions under which laboratory studies are planned, performed, recorded and reported for the non-clinical testing of chemicals (good laboratory practice).⁶

2.1.163. On 18 November the Commission adopted a Directive adapting to technical progress for the ninth time the Council Directive of 27 June 1967 on the

approximation of laws, regulations and administrative provisions relating to the classification, packaging and labelling of dangerous substances.⁷ The new Directive introduces test methods for levels 1 and 2 of Annex VIII to the said Directive.

Major-accident hazards

2.1.164. Within the framework provided for the implementation of the Council Directive of 24 June 1982 on the major-accident hazards of certain industrial activities — the 'post-Seveso' Directive⁸ — the Commission in close cooperation with the JRC at Ispra organized a European conference on emergency plans, which was held in Varese from 3 to 6 November. The conference was attended by 200 representatives of the national authorities of the 12 Member States, industry and the scientific community.

International cooperation

2.1.165. From 3 to 6 November Commission representatives attended a seminar in Paris, organized jointly by the OECD and France, on greater cooperation with the developing countries on environmental matters. The main objective was to discuss with representatives of the developing countries, and in the light of experience, how environmental protection and economic development can be better integrated. At the end of the seminar, certain conclusions were adopted highlighting, among other things:

(i) the need to ensure that production costs include the costs of environmental protection (the 'polluter pays' principle) so as to make it easier to replace natural resources;

¹ COM(87) 609 final.

² OJ C 177, 15.7.1986; Bull. EC 7/8-1986, point 2.1.136.

³ OJ C 353, 30.12.1987; COM(87) 633 final.

⁴ OJ C 318, 30.11.1987; Bull. EC 10-1987, point 2.1.127.

⁵ OJ C 211, 22.8.1985; Bull. EC 7/8-1985, point 2.1.126.

⁶ OJ C 13, 17.1.1987; Bull. EC 12-1986, point 2.1.196.

⁷ OJ L 196, 16.8.1967.

⁸ OJ L 230, 5.8.1982; Bull. EC 6-1982, point 2.1.92.

(ii) the need not only for preliminary studies but also for continuous monitoring of the environmental impact of economic development projects and the need to give technical assistance to developing countries so that they can acquire the necessary capacity, structures and technologies;

(iii) the need to improve coordination among development agencies;

(iv) the need for local and village authorities to participate more fully in the daily task of conserving and protecting natural resources in the field.

Consumers

Physical protection and product safety

2.1.166. On 30 November the Council examined the proposal¹ for a Directive amending the Directive² of 27 July 1976 on the approximation of the laws of the Member States relating to cosmetic products, focusing on the question of labelling.

Child safety

2.1.167. On 19 and 20 November, a conference on playground-related injuries and their prevention was held in Brussels under the auspices of the Commission, attended by approximately 120 experts from Community and non-Community countries.

The Conference was the opening shot in a Community information and awareness campaign on child safety (1988-90).³ Its theme is both important and urgent, for the number of injuries sustained in playgrounds is rising at an alarming rate. It is estimated that in the Member States some 750 000 children require medical treatment in hospital emergency departments or by family doctors every year. The conference discussed in particular the design, installation and maintenance of playground equipment, and the need for legislation and education.

Community system of information on accidents

2.1.168. In connection with the implementation of the Ehlass system,⁴ the Commission, recognizing the importance and value of this information source in the development of preventive measures, set up an *ad hoc* group of experts on coding, classification and nomenclature manuals which held its second meeting in Brussels on 12 and 13 November. Its task is to advise the Commission on possible solutions to technical problems liable to affect the consistency of Ehlass data.

Consumer information, education and representation

Consumers' Consultative Committee

2.1.169. The Consumers' Consultative Committee met in plenary session on 23 November. During the meeting, it adopted an opinion on the draft Commission Regulation on the application of Article 85(3) of the Treaty to categories of franchising agreements.⁵

Agriculture

Continuing reform of the CAP

2.1.170. On 19 November Parliament adopted a resolution on the application of agricultural stabilizers⁶ (→ point 1.1.10).

2.1.171. On 19 November the Economic and Social Committee adopted (→ point 1.1.11) an own-initiative opinion on the various proposals made by the Commission

¹ OJ C 86, 1.4.1987; Bull. EC 2-1987, point 2.1.98.

² OJ L 262, 27.9.1976; OJ L 149, 3.6.1986.

³ Bull. EC 5-1987, point 2.1.152.

⁴ European Home and Leisure Accident Surveillance System; OJ L 109, 26.4.1986; Bull. EC 4-1986, point 2.1.100.

⁵ OJ C 229, 27.8.1987; Bull. EC 6-1987, point 2.1.72.

⁶ OJ C 345, 21.12.1987.

in respect of agriculture¹ in relation to the implementation of the Single Act.

2.1.172. On 19 November the Economic and Social Committee also adopted (→ point 1.1.11) an opinion on the application of agricultural stabilizers and on the proposals relating to sugar, milk, sheepmeat, goatmeat and other products.²

Council

2.1.173. The Council met from 16 to 18 and from 23 to 26 November. It continued its discussions³ on the introduction of agricultural stabilizers in the various market organizations.² After lengthy and difficult negotiations, although a solution was close in some sectors, the Council did not manage to achieve an overall solution. Major differences remained on essential sectors such as cereals, oilseeds and protein products.

In conclusion, the Council agreed that the President, Mr Laurits Toernaes, would make a progress report to the Foreign Ministers, who met in conclave on 29 and 30 November to finish preparing the decisions to be taken by the European Council (→ point 2.4.5).

The Council adopted by a qualified majority the Decision on the transitional measures required to implement the provisions of the Directive on hormones (→ point 2.1.209).

Lastly, in order to provide a practical follow-up to the measures adopted last year in response to the very cold weather, the Council declared itself in favour of specific arrangements for the supply of food from intervention stocks to the most deprived persons in the Community. It examined the proposal for a Regulation laying down the general rules required for such a measure.⁴

Free food

2.1.174. On 26 November, after considering the opinion delivered by Parliament,⁵ the Commission sent the Council an amendment⁶ to its proposal for a Regulation

laying down the general rules for the supply of food from intervention stocks to designated organizations for distribution to the most deprived persons in the Community.⁴ The amendment relates only to the way in which the proposal is presented; the substance remains unchanged.

Extension of the transitional period for Spain and Portugal

2.1.175. On 10 November the Commission sent the Council a proposal for a Regulation extending the period referred to in Articles 90(1) and 257(1) of the Act of Accession of Spain and Portugal.⁷

Articles 90(1) and 257(1) provide, in the case of Spain and Portugal respectively, for a certain period during which transitional measures may be adopted in order to facilitate the passage from the national arrangements in operation at the time of accession to the EEC market arrangements applicable under the Act, particularly in order to deal with appreciable difficulties arising from the application of the new arrangements on the scheduled date (1 March 1986). This transitional period was due to expire on 31 December 1987. However, there were still difficulties which could not, in the case of certain groups of products (oils and fats, cereals, eggs and pigmeat), be overcome by that date. The Commission therefore proposed that the transitional period be extended by two years in the case of Spain and three years in the case of Portugal.

*

2.1.176. On 18 November Parliament adopted a resolution on the work of the Committee of Enquiry into Agricultural Stocks⁸ (→ point 2.4.18).

¹ Bull. EC 7/8-1987, points 1.1.11 to 1.1.15.

² Bull. EC 9-1987, point 1.5.1.

³ Bull. EC 10-1987, point 2.1.136.

⁴ OJ C 298, 7.11.1987; Bull. EC 10-1987, point 1.2.1 *et seq.*

⁵ OJ C 318, 30.11.1987; Bull. EC 10-1987, point 2.1.138.

⁶ COM(87) 605 final.

⁷ OJ C 322, 2.12.1987, COM(87) 539 final.

⁸ OJ C 345, 21.12.1987.

Market organizations

Cereals

2.1.177. On 17 November the Council, acting on a proposal from the Commission,¹ adopted a Regulation on the transfer of 150 000 tonnes of barley held by the Spanish intervention agency.²

On 26 November the Commission adopted a Regulation³ laying down detailed rules for applying this Regulation.

2.1.178. On 17 November the Commission decided to amend⁴ its Regulation of 21 August 1987 laying down detailed rules for applying the co-responsibility levy in the cereals sector for 1987/88⁵ to avoid disrupting the production of cereal seeds.

2.1.179. On 16 November, following the decisions taken by the Council on prices and related measures for the 1987/88 marketing year,⁶ the Commission adopted a Regulation laying down detailed rules for intervention on the market in rice.⁷ Rice may be bought in during the period from 1 December to 31 July, provided the market price is lower than the intervention price.

2.1.180. Since the minimum level of Spanish imports of maize and sorghum under the special arrangements set out in the Agreement with the United States of America⁸ has not been reached, the Community must make direct purchases on world markets to ensure that the undertaking it gave is honoured.

Sugar

2.1.181. On 25 November the Commission adopted a Decision⁹ amending the Decision of 20 July 1987 authorizing Portugal to import from non-member countries at a reduced levy certain quantities of raw sugar during the period 1 July 1987 to 30 June 1988.¹⁰

The Act of Accession authorizes Portugal to import 75 000 tonnes, expressed as white

sugar, annually during the transitional period (until 1993/94). In addition, it may be authorized to import the quantities needed to meet its supply requirement under the same conditions regarding the reduced levy as those applying in respect of the above-mentioned quantity of 75 000 tonnes. A forward estimate had shown that a quantity of raw sugar equivalent to 71 000 tonnes of white sugar was required to make up the shortfall in supply, and Portugal was authorized to import the quantities in question.¹⁰

It emerged on re-examination of this estimate that the shortfall was actually 122 000 tonnes; this Decision therefore alters the additional quantities that may be imported.

Market situation¹¹

2.1.182. Although it is difficult at this stage to forecast the overall world market trend in 1987/88, it would seem that world consumption in this marketing year will greatly exceed production, thereby entailing a substantial reduction in surplus stocks, which reached a record level of nearly 40 million tonnes in 1984/85 and have until now had an adverse effect on the movement of world sugar prices. There are still continual fluctuations in these prices, which remain fairly low. The current spot price for white sugar on the Paris exchange is around 16.50 ECU/100 kg, compared with an average of 17.31 ECU/100 kg in 1986/87, which was itself considered to be fairly low.¹²

In the Community, 1 822 000 hectares were sown to beet in 1987/88, 3.4% down on the previous year.

¹ Bull. EC 10-1987, point 2.1.139.

² OJ L 328, 19.11.1987.

³ OJ L 337, 27.11.1987.

⁴ OJ L 327, 18.11.1987.

⁵ OJ L 240, 22.8.1987; Bull. EC 7/8-1987, point 2.1.185.

⁶ OJ L 182, 3.7.1987; Bull. EC 6-1987, point 2.1.150.

⁷ OJ L 326, 17.11.1987.

⁸ OJ L 98, 10.4.1987; Bull. EC 1-1987, point 1.2.1 *et seq.*

⁹ OJ L 342, 4.12.1987.

¹⁰ OJ L 228, 15.8.1987; Bull. EC 7/8-1987, point 2.1.193.

¹¹ Bull. EC 3-1987, point 2.1.149.

¹² Bull. EC 11-1986, point 2.1.173.

Analyses carried out in beet fields up to the beginning of October 1987 and initial processing results indicate a sugar yield of 6.95 tonnes per hectare. Production of beet sugar in the Community can therefore be estimated at 12.66 million tonnes, to which should be added 324 000 tonnes of cane sugar and 19 000 tonnes of molasses sugar, putting total estimated production at 13.0 million tonnes of white sugar as against 14.1 million tonnes in 1986/87.

Sugar consumption in the Community should be almost the same as in 1986/87 (also taking account of increased sugar use in the chemical industry) and should be held at around 10.80 million tonnes.

The total quantity of sugar available for export (including C sugar) should, according to current estimates, be about 4 million tonnes of white sugar, taking account of imports of preferential sugar, of the sugar imported at a reduced levy, of traditional foreign trade in sugar in the form of processed products and of the C sugar carried forward. This is less than the quantity exported in 1986/87 (4.5 million tonnes).

Oils and fats

2.1.183. On 27 November, in accordance with the request made at the Council meeting held on 30 June and 1 July,¹ the Commission sent the Council a report on the conclusions of the study and the consultations with supplier countries on the consumer price stabilization mechanism for vegetable and marine oils and fats.²

This report shows that Community imports of vegetable oils and fats would be virtually unaffected by the introduction of the stabilization mechanism proposed by the Commission.

2.1.184. Having established that the market prices for rapeseed on the representative markets of the Community were below the intervention prices, the Commission decided to open intervention purchasing with effect from 1 October — first in the

Community as constituted at 31 December 1985 and in Spain³ and then in Portugal.⁴

2.1.185. The Commission has adjusted its policy with regard to export refunds on rapeseed in line with the situation on the market as the marketing year gets under way. It has on a number of occasions since 30 September availed itself of the possibility of reducing the period of validity of advance fixing certificates.⁵

Cotton, flax and hemp

Market situation⁶

2.1.186. The Council has altered the co-responsibility arrangements for cotton by providing, as in the case of oilseeds, for a reduction in the guide price that increases in line with the extent by which the maximum guaranteed quantity is exceeded.⁷

The Commission took a series of measures that were required to enable these new arrangements to operate with effect from the 1987/88 marketing year.⁸ It determined the estimated quantity of cotton for 1987/88 (828 850 tonnes) and the reduction in the aid (6.721 ECU/100 kg) since the estimated quantity is higher than the maximum guaranteed quantity (752 000 tonnes). The reduction represents 6% of the guide price.

As regards flax, measures to encourage the use of flax fibre continue to be implemented under an *ad hoc* programme set up by the Commission. In addition, the Council decided that such measures should be taken on a permanent basis with effect from 1987/88.⁹

¹ Bull. EC 6-1987, point 1.3.1.

² OJ C 89, 3.4.1987; Bull. EC 2-1987, points 1.2.14 and 1.2.15; Bull. EC 9-1987, point 1.5.1.

³ OJ L 294, 17.10.1987.

⁴ OJ L 304, 27.10.1987.

⁵ OJ L 277, 30.9.1987; OJ L 289, 13.10.1987; OJ L 309, 31.10.1987.

⁶ Bull. EC 11-1986, point 2.1.184.

⁷ OJ L 184, 3.7.1987; Bull. EC 6-1987, point 2.1.154.

⁸ OJ L 248, 1.9.1987.

⁹ OJ L 184, 3.7.1987.

The relatively firm demand for flax fibre meant that growers increased the area sown to flax in the Community, but yields and fibre quality were below average owing to adverse weather conditions.

The Community hemp crop is on the decline, while raw silk production remained stable albeit at a low level.

Milk and milk products

2.1.187. When it reached agreement on agricultural prices and related measures for 1987/88, the Council fixed the Community reserve for the period running from 1 April 1987 to 31 March 1988 with a view to supplementing the guaranteed quantities of the Member States in which the additional levy system raises particular difficulties.¹ The Commission has, by Regulation of 5 November,² apportioned this reserve of 443 000 tonnes of milk taking account of this objective by allocating 303 000 tonnes to Ireland, 25 000 tonnes to Luxembourg, 50 000 tonnes to Spain and 65 000 tonnes to the United Kingdom for Northern Ireland. By the same Regulation, the Commission laid down detailed rules on temporary transfers of that part of the individual reference quantity of milk which is not intended for use by the producer who holds it.

2.1.188. On 26 November the Commission approved the 12th communication to the Council concerning the programme for the utilization of co-responsibility levy funds in the milk sector for the 1988/89 milk year.³ The programme of specific measures to be financed is given in Table 5.

Table 5 — *Programme of specific measures*

Measures	Allocation (million ECU)
Measures for the promotion of dairy products	35.0
Post-test to assess promotion measures	1.0
Research measures	10.0
School milk	112.5
Butterfat for ice-cream	54.0
Butterfat for pastry and bakery products	110.0
Export promotion	162.5
Total	485.0

The implementation of these measures will depend both on the market and on the budget situation and outlook.

2.1.189. The results of the compensation scheme for the definitive discontinuation of milk production introduced by the Council in May 1986⁴ during the second period of application of the scheme varied from one Member State to another: applications exceeded possibilities in Denmark, Ireland and Luxembourg; reasonable interest was shown in the scheme in Belgium, whereas in other Member States such as the Netherlands, the United Kingdom and the Federal Republic of Germany take-up of the scheme was very limited. The Commission, by a Regulation of 30 November,⁵ extended by several weeks the final dates for the submission and acceptance of applications for discontinuation.

2.1.190. Lastly, on 30 November the Commission fixed the quotas for 1988:⁵

¹ OJ L 182, 3.7.1987; Bull. EC 6-1987, points 1.3.1 and 2.1.155.

² OJ L 316, 6.11.1987.

³ COM(87) 599 final. Previous communication: OJ C 33, 11.2.1987; Bull. EC 1-1987, point 2.1.91.

⁴ OJ L 119, 8.5.1986; Bull. EC 4-1986, point 2.1.108.

⁵ OJ L 339, 1.12.1987.

(i) applying to imports into Spain of milk and milk products from non-member countries;

(ii) for cheese imports into Portugal from Spain;

(iii) for cheese imports into Portugal from non-member countries.

Market situation ¹

2.1.191. The market trend for the Community as a whole over the period from January to September, as against the corresponding period in 1986, was as follows: deliveries of milk to dairies, down 4.3%; butter production, down 13.5%; skimmed-milk powder production, down 21.8%; whole-milk powder production, up 24.4%; cheese production, up 3.0%.

Milk deliveries in the first six months of the fourth period of application of the additional levy (April to September) exceeded the quotas allocated for 1987/88 by 1.4 million tonnes, which means that deliveries will have to be cut by about 9 to 10% by 31 March next year.

Since the buying-in of butter was suspended with effect from 29 June,² 15 160 tonnes of butter has been bought in by intervention agencies under the tendering procedure. This takes total intervention purchases in the butter sector to 195 160 tonnes as at the end of November. In 1986 intervention agencies bought in 647 000 tonnes. Intervention stocks now amount to 870 329 tonnes of butter in public storage, 141 466 tonnes of butter in private storage, 662 849 tonnes of skimmed-milk powder and 126 654 tonnes of cheese.

Exports in the period from January to September, as against the corresponding period in 1986, were as follows:

Exports	Quantities (tonnes)	Variation (%)
Fresh products	135 700	+ 1.9
Condensed/evaporated milk	268 400	- 12.4
Whole-milk powder	409 200	+ 35.4
Skimmed-milk powder	211 700	+ 60
Butter	87 400	+ 98.6
Butteroil	91 300	+ 41.1
Cheese	221 200	+ 2.5

Beef/veal

2.1.192. On 13 November, in response to a request made in Parliament's resolution of 20 February 1987³ on the proposal for a Regulation⁴ increasing the tariff quota opened by the Regulation of 26 May 1986⁵ for livestock of certain mountain breeds, the Commission sent Parliament and the Council a report on the Community's special import arrangements for beef/veal.⁶

2.1.193. On 30 November the Commission amended⁷ the indicative ceilings and the 'guide' quantities provided for in its Regulation of 23 December 1986⁸ under the supplementary mechanism applicable to trade in beef and veal. This amendment increase the 'guide' quantity for fresh meat fixed in respect of imports into Spain in 1987 with the aim of ensuring better coverage of Spanish market requirements and checking the price explosion.

¹ Bull. EC 7/8-1987, point 2.1.198.

² OJ L 167, 26.6.1987; Bull. EC 6-1987, point 2.1.169.

³ OJ C 76, 23.3.1987; Bull. EC 2-1987, point 2.1.117.

⁴ Bull. EC 12-1986, point 2.1.222.

⁵ OJ L 150, 4.6.1987; Bull. EC 5-1986, point 2.1.131.

⁶ COM(87) 536 final.

⁷ OJ L 339, 1.12.1987.

⁸ OJ L 365, 24.12.1986; Bull. EC 12-1986, point 2.1.225.

Pigmeat

Market situation¹ (August-November 1987)

2.1.194. During the period under review the market situation for pigmeat within the Community was characterized by abundant supplies resulting from the continued expansion of the pig herd and, consequently, relatively low prices. However, the negative impact of low market returns on producers' incomes was offset to some extent by reduced feed costs.

In September the Commission presented a report² to the Council on progress made on the implementation of the new grading scale for pig carcasses.³ The report stressed the need for early preparation by the Member States, including timely notification to the Commission of the grading methods proposed, with a view to respecting the deadline of 1 January 1989 for implementing the new scale. By the end of November, two Member States had already implemented the new scale, two more had had their proposed grading methods approved, and the grading method proposed by a fifth Member State was being examined by the Commission.

Fresh fruit and vegetables

2.1.195. On 9 November the Council, acting on a proposal from the Commission,⁴ adopted a Regulation⁵ concerning special measures for the processing of certain varieties of oranges and amending the Council Regulation of 18 December 1969.⁶ The aim of this Regulation is to allow limited quantities of oranges of the Shamouti, Cadenera, Castellana and Macetera varieties to benefit during the 1987/88 marketing year from the provisions of the 1969 Regulation as regards the grant of aid to encourage the processing of certain varieties of oranges.

2.1.196. On 24 November, following the Council's adoption of the Regulation referred to above,⁵ the Commission adopted:⁷

(i) a Regulation laying down detailed rules for the application of the limit on processing aid for Shamouti oranges for 1987/88; this relates to the apportionment between producer countries of the total quantity of raw materials eligible for the aid and also lays down detailed rules for apportioning the aid between processors;

(ii) a Regulation amending the Regulation of 4 April 1986 laying down detailed rules for applying the limitation of processing aid to certain quantities of oranges and lemons in Spain;⁸ the aim of this Regulation, which relates to oranges of the Cadenera, Castellana and Macetera varieties produced in Spain, is to include these varieties within the scope of the 1986 Regulation with a view to apportioning the quantity eligible for aid between Spanish processors.

Market situation⁹

2.1.197. Statistics currently available on the production of certain fruit and vegetables give an initial indication, as set out in Table 6, of the changes which have occurred in the various market parameters during the 1987/88 marketing year compared with the previous year.

2.1.198. As regards producer prices, analysis of the data collected on pilot products in 1987/88 in the context of the management of basic and buying-in prices shows the following:

(i) cauliflowers: average Community prices are above the basic prices and are generally above those of the previous year;

(ii) tomatoes: prices above the basic price in all Member States and above the 1986/87 prices;

¹ Bull. EC 7/8-1987, point 2.1.204.

² COM(87) 381 final.

³ OJ L 285, 25.10.1985; Bull. EC 11-1985, point 2.1.140.

⁴ Bull. EC 10-1987, point 2.1.149.

⁵ OJ L 323, 13.11.1987.

⁶ OJ L 324, 27.12.1969.

⁷ OJ L 335, 25.11.1987.

⁸ OJ L 90, 5.4.1986.

⁹ Bull. EC 3-1987, point 2.1.160 *et seq.*

Table 6 — *Production 1987/88 (as against 1986/87)*

Products	1987/88 (million tonnes)	% change on 1986/87
Tomatoes		
EUR 10	8 019	+ 3
EUR 12	11 089	+ 3
Apples		
EUR 10	6 400	- 13
EUR 12	7 395	- 11
Peaches		
EUR 10	2 071	- 4
EUR 12	2 623	- 1
Nectarines		
EUR 10	417	+ 6
EUR 12	470	+ 7
Lemons		
EUR 10	na ¹	
EUR 12	Spain 621	- 4
Oranges		
EUR 10	na ¹	
EUR 12	Spain 2 384	+ 18
Clementines		
EUR 10	na ¹	
EUR 12	Spain 740	+ 7

¹ Not available.

(iii) aubergines: prices above the basic price; prices in France and the Netherlands higher than in Italy;

(iv) peaches: after a good start to the year, prices collapsed below the basic price level from August onwards; end-of-year prices in Italy remained low; prices were lower than the previous year;

(v) lemons: average Community prices above the 1986 averages and well in excess of the basic price;

(vi) pears: average Community prices above the basic price but below the 1986/87 prices;

(vii) grapes: prices well above the basic price in France and Greece but below in Italy;

(viii) apricots: Community price above the basic price and higher than the previous year;

(ix) apples: prices relatively low and variable at the beginning of the year; current

price levels slightly below the basic price in some countries (e.g. France); price levels generally below those of the previous year;

(x) mandarins and oranges: the 1987/88 marketing year has not yet begun.

2.1.199. It is not possible at this stage of the marketing year to make any meaningful analysis of intervention measures in respect of products subject to basic and buying-in prices. However, the Commission has not yet had to introduce preventive withdrawal arrangements for apples given the level of the Community harvest.

2.1.200. As regards the application of reference prices in 1987/88, there has been even more frequent recourse than the previous year to countervailing charges on products imported from non-member countries as well as from Spain for all the products subject to reference prices.

2.1.201. The figures on trade in the products covered by the Council Regulation of

18 May 1972 on the common organization of the market in fruit and vegetables¹ are as follows:

(a) extra-Community trade in 1986 (EUR 10)

(i) imports: 4.7 million tonnes of fruit, up 6.8% on 1985; 1.63 million tonnes of vegetables, up 4% on 1985;

(ii) exports: 0.97 million tonnes of fruit, as against 1.1 million tonnes in 1985; 0.4 million tonnes of vegetables, as against 0.37 million tonnes in 1985;

(b) intra-Community trade in 1986 (EUR 10)

(i) fruit: 3.2 million tonnes, down 3% on 1985;

(ii) vegetables: 3.1 million tonnes, up 6% on 1985.

Exports of fruit from Spain to the Community rose from 1 741 000 tonnes in 1985 to 2 171 000 tonnes (+ 24%).

Spanish exports of vegetables to the Community increased from 905 000 tonnes in 1985 to 984 000 tonnes in 1986 (+ 9%).

Wine

2.1.202. On 17 November, acting on a proposal from the Commission,² the Council adopted a Regulation³ amending the Regulation of 5 February 1979 laying down general rules for the description and presentation of wines and grape musts.⁴ This amendment was adopted with the aim of harmonizing as far as possible the Community rules on the description of foodstuffs and of better informing the consumer. Provision is made for the Member State in which the head office of the bottler is situated to be indicated; authorization is given for the information that appears on the label in the language of the producer country to be repeated in one or more official Community languages; the protection given to geographical names used to describe wines and musts is strengthened and provision is made for better coordination of

the provisions concerning the role of control authorities in cases of breach of Community provisions on the description and presentation of products in the wine sector.

2.1.203. On 5 November the Commission sent the Council a proposal for a Regulation fixing the quota for 1987 that Portugal may apply to certain wines from the Community as constituted at 31 December 1985.⁵

2.1.204. On 13 November the Commission sent the Council a proposal for a Regulation⁶ amending the Regulation of 18 February 1980 on collective projects for the restructuring of vineyards.⁷ The aim of this amendment is to extend for four months the period of application of the 1980 Regulation solely in respect of Spanish projects, taking account of the very short interval between Spain's accession to the Community and the end of the period of application of the common measure.

2.1.205. On 25 November the Commission sent the Council a proposal for a Regulation⁸ amending for the tenth time the Regulation of 5 February 1979 concerning the addition of alcohol to products in the wine sector.⁴ The aim of this proposal is to extend to the end of 1988, in the absence of a common organization of the market in the alcohol sector and of provisions to harmonize the definitions for aromatized wines, the existing provisions concerning the addition of alcohol to wine sector products. It should be stressed that the present situation gives rise to no difficulties as regards application.

2.1.206. On 9 November the Commission amended⁹ for the eighth time¹⁰ its Regulation of 26 March 1981 laying down

¹ OJ L 118, 20.5.1972.

² Bull. EC 9-1983, point 2.1.88.

³ OJ L 330, 21.11.1987.

⁴ OJ L 54, 5.3.1979.

⁵ COM(87) 514 final.

⁶ OJ C 325, 4.12.1987; COM(87) 545 final.

⁷ OJ L 57, 29.2.1980; Bull. EC 2-1980, point 2.1.58.

⁸ COM(87) 546 final.

⁹ OJ L 320, 10.11.1987.

¹⁰ OJ L 8, 10.1.1987; Bull. EC 1-1987, point 2.1.95.

detailed rules for the description and presentation of wines and grape musts.¹ This amendment lays down that Member States may, as a temporary measure, allow rectified concentrated grape musts to be put into circulation in their territory in containers with a nominal volume which is different from those specified in Community rules.¹ This measure, which is limited to the current wine year, should enable producers in Member States where such production has only just begun to adapt to the rules in question.

Tobacco

2.1.207. On 6 November the Commission adopted a Regulation² amending the Regulation of 24 November 1972 determining collection, processing and storage centres for intervention on the market in raw tobacco³ to take account of the development of the tobacco-growing areas and the geographical distribution of these centres in France.

Hops

2.1.208. On 10 November the Commission sent the Council a proposal for a Regulation⁴ to amend the Regulation of 19 July 1982 drawing up the list of Community regions in which production aid for hops is granted only to recognized producer groups.⁵ Under this proposal, Belgium would be added to the list.

Legislation

Veterinary and animal husbandry legislation

Use of hormones in livestock farming

2.1.209. The Council Directive of 31 December 1985⁶ on the use in livestock farming of substances having a hormonal action prohibits, from 1 January 1988, the use of hormones in farm animals for fattening purposes and the placing on the mar-

ket of animals having undergone such treatment or meat from such animals. To take account of delays that have occurred in the preparations for implementing this Directive and of a number of problems arising as regards the import of such meat from non-member countries, in particular the United States of America,⁷ on 18 November the Council, acting by a qualified majority on a proposal from the Commission,⁸ following examination of the matter by the Standing Veterinary Committee, adopted a Decision on transitional measures concerning the prohibition on administration to farm animals of certain substances having a hormonal action.⁹ This Decision maintains the status quo as regards trade until 31 December 1988 and confirms the prohibition on the use of hormonal substances for fattening purposes from 1 January 1988.

Competition

2.1.210. Under the terms of Articles 92 to 94 of the EEC Treaty, the Commission decided to make no comment on the introduction of the following proposed schemes, which had been duly notified.

Germany

Lower Saxony

Aid to agencies supplying relief workers to farms under certain circumstances.

Saarland

Measures on the ecological storage of fertilizers.

¹ OJ L 106, 16.4.1981.

² OJ L 317, 7.11.1987.

³ OJ L 267, 28.11.1972.

⁴ COM(87) 543 final.

⁵ OJ L 215, 23.7.1982.

⁶ OJ L 382, 31.12.1985; Bull. EC 12-1985, point 2.1.173.

⁷ Bull. EC 10-1987, points 2.1.136 and 2.2.15.

⁸ COM(87) 592 final.

⁹ OJ L 339, 1.12.1987.

Denmark

(i) Ecological production of agricultural products.

(ii) 1987 budgets for various agricultural funds (potatoes, horses, seeds, pigs, milk, cattle, poultry, sheep, rabbits) including the budget financed by the 'per thousand' land tax.

Italy

Marche

Bill including provisions on rural electrification and land purchase.

United Kingdom

Variation and extension of the Chernobyl—Sheep compensation scheme 1986.

2.1.211. The Commission decided to initiate the procedure laid down in Article 93(2) of the EEC Treaty in respect of an Italian scheme on the grant of aid in relation to the quantities of beef/veal and pigmeat produced and processed.

2.1.212. The Commission decided to terminate the Article 93(2) procedure in respect of an Italian aid scheme relating to water supplies and other aspects of agriculture in Sicily, the Italian authorities having provided sufficient evidence to enable the Commission to take the view either that the aid to cooperatives is compatible with the common market or that it constitutes a financial transfer between the authorities and public bodies concerned.

Forestry

2.1.213. On 13 November the Commission granted financial assistance amounting to 1 644 443 ECU for the implementation of 26 projects aimed at protecting woodlands against air pollution that had been submitted by the Member States in respect of 1987 under a Council Regulation of 17 November 1986.¹

These projects relate to the establishment, using common methods, of a periodic inventory of damage caused to forests, in particular through atmospheric pollution, and to the carrying-out of experiments in the field and of pilot and demonstration projects:

- (i) to improve understanding of atmospheric pollution in forests and its effects;
- (ii) to devise methods of maintaining and restoring damaged forests;
- (iii) to improve methods of observing and measuring damage to forests.

Forty-four new projects to be carried out under the same Regulation have been submitted to the Commission in respect of 1988. These projects are currently being examined with a view to granting Community financial assistance under the 1988 budget.

2.1.214. On 18 November the Commission granted financial assistance amounting to 4 830 961 ECU for the implementation of 42 projects aimed at protecting woodlands against fire that had been submitted by the Member States in respect of 1987 under a Council Regulation of 17 November 1986.¹

These projects meet the following objectives:

- (i) encouragement for forestry operations designed to reduce the risk of fire;
- (ii) encouragement for the purchase of brush-clearance equipment where indispensable;
- (iii) the provision of forest roads, fire-breaks and water supplies;
- (iv) the installation of fixed or mobile look-out structures;
- (v) the organization of information campaigns;
- (vi) assistance in establishing interdisciplinary data-gathering centres and assistance

¹ OJ L 326, 21.11.1986; Bull. EC 11-1986, point 2.1.203.

for subsequent analytical surveys of the data gathered.

These measures are supplemented by the following:

- (i) encouragement for the training of highly specialized personnel;
- (ii) encouragement for the harmonization of techniques and equipment;
- (iii) coordination of the research necessary for achieving these two objectives.

Eighty-four new projects to be carried out under the same Regulation have been submitted to the Commission in respect of 1988. These projects are currently being examined with a view to granting Community financial assistance under the 1988 budget.

European Agricultural Guidance and Guarantee Fund

Guarantee Section

2.1.215. On 25 November the Commission sent the Council and Parliament the 16th financial report on EAGGF Guarantee Section activities (covering 1986).¹

This report relates to the expenditure resulting from the common policy on agricultural markets and prices and from the supply of agricultural products as Community food aid.²

Guarantee Section expenditure rose from 19 744.2 million ECU in 1985 to 22 137.4 million ECU in 1986. The 1986 figure takes into account the financial contribution of milk producers (717 million ECU) and, for the first time, the contribution from cereal producers (56 million ECU). It also takes account of the recovery of expenses via the clearance of accounts for 1982 (55 million ECU). Without these items, the total expenditure would have been higher.

The volume of appropriations available (22 153.3 million ECU), being limited, was not enough to cover all financial require-

ments and a number of payments have been shifted from 1986 to 1987, the amount involved being 693 million ECU.

Total expenditure for 1986 was 12.1 % up on the 1985 figure, a higher percentage increase than in 1985 (7.6 %). Increased expenditure was accounted for mainly by cereals, oilseeds, beef/veal, fibre plants and monetary compensatory amounts offset by a reduction in the expenditure on milk products, wine, fruit and vegetables.

When expenditure is broken down according to its economic nature, it is seen that the percentage of total expenditure accounted for by refunds was slightly less than in 1985 (33.6% as against 34.1%). The product breakdown in 1986 shows milk products accounting for 29% of total refunds, cereals 23%, sugar 17% and beef/veal 16%. Intervention accounted for 66.4% of total expenditure in 1986 as against 65.9% in 1985. Price compensatory measures still account for more expenditure than any other type of intervention (nearly 38% of total expenditure in 1986), followed by storage costs (25%).

Expenditure on storage covers the cost of both private and public storage. In 1986 such expenditure was almost 26% up on its 1985 level, totalling 5 555 million ECU, of which 808 million ECU was accounted for by private storage.

By the end of the year, the book value of public stocks had risen by nearly 8%, from 10 580 million ECU in 1985 to 11 360 million ECU; these stocks represent a potential burden of 6 767 million ECU which will have to be financed from budgets in coming years. The main areas where stocks built up were milk products, olive oil and, to a lesser extent, tobacco; the increase was partly offset by a reduction in stocks of cereals and beef. Stocks of sunflower appeared for the first time in 1986, while stocks of sugar and rapeseed reappeared.

¹ COM(87) 533 final.

² For the 1986 report on Guidance Section activities, see Bull. EC 7/8-1987, point 2.1.236.

Community spending on food aid in 1986 totalled 412 million ECU, 24% less than the 544 million ECU spent in 1985, owing to a reduction in the quantities supplied.

As in previous years, Community food aid consisted chiefly of delivering to the recipient countries or agencies milk products valued at 144 million ECU (200 million ECU in 1985) and cereals and rice worth 137 million ECU (229 million ECU in 1985).

2.1.216. The temporary arrangements for the financing of the common agricultural policy through the EAGGF Guarantee Section have been gradually implemented in the Member States since the beginning of November.

These arrangements, which were introduced by the Council Regulation of 19 October 1987,¹ provide for the Member States to mobilize the financial resources needed to cover agricultural expenditure once the appropriations allocated to the Guarantee Section for 1987 have been used up. The Community budget will defray such expenditure with an average time-lag of about 45 days after payment to recipients.

Fisheries

Resources

Internal aspects

Community measures

TACs and quotas

2.1.217. On 23 November the Council, acting on a proposal from the Commission,² adopted a Regulation³ amending for the fourth time the Regulation of 22 December 1986 fixing, for certain fish stocks and groups of fish stocks, the total allowable catches for 1987 and certain conditions under which they may be fished.⁴ The purpose of this amendment was to

increase the TAC for plaice in the Bristol Channel and south-eastern Ireland.

2.1.218. On 30 November the Council adopted the Regulations fixing for 1988 certain measures for the conservation and management of fishery resources applicable to vessels flying the flag:

(i) of Member States other than Spain and Portugal in waters falling under the sovereignty or within the jurisdiction of Portugal;⁵

(ii) of Member States other than Spain and Portugal in waters falling under the sovereignty or within the jurisdiction of Spain;⁵

(iii) of Portugal in waters falling under the sovereignty or within the jurisdiction of Member States other than Spain and Portugal.⁶

2.1.219. On 19 November the Commission sent to the Council a proposal for a Regulation⁷ fixing catch possibilities for 1988 for certain fish stocks and groups of fish stocks in the Regulatory Area as defined in the NAFO Convention and amending the Council Regulation of 19 October 1987 establishing an interim autonomous scheme of control in respect of Community vessels operating in the Regulatory Area of the North-West Atlantic Fisheries Organization (NAFO).⁸

The purpose of this proposal is to safeguard the fishing possibilities currently available to Community fishermen operating in the North-West Atlantic.

Technical measures

2.1.220. On 2 December the Commission sent to the Council a proposal for a Regu-

¹ OJ L 304, 27.10.1987; Bull. EC 10-1987, point 2.1.169.

² COM(87) 559 final.

³ OJ L 337, 27.11.1987.

⁴ OJ L 376, 31.12.1986; Bull. EC 12-1986, point 2.1.252.

⁵ Bull. EC 10-1987, point 2.1.172.

⁶ Bull. EC 10-1987, point 2.1.173.

⁷ COM(87) 580 final.

⁸ OJ L 314, 4.11.1987; Bull. EC 10-1987, point 2.1.193.

lation¹ amending for the third time the Regulation of 7 October 1986 laying down certain technical measures for the conservation of fishery resources.² The chief effects of this amendment are to increase from 50 to 55 mm, with effect from 1 January 1989, the minimum mesh size to be used in fishing for Norway lobster and prawns in Region 3 and to reduce the minimum landing sizes for Norway lobster in Region 2, except the Skagerrak and Kattegat.

Prohibition measures

2.1.221. On the basis of the information available on the exhaustion of certain quotas, the Commission prohibited:

(i) Community vessels from fishing for mackerel in ICES divisions IIa (EC zone), IIIa, IIIb, c, d, (EC zone) and IV with effect from 7 November;³

(ii) Dutch vessels from fishing for plaice in ICES divisions IIa (EC zone) and IV with effect from 31 October,⁴ for mackerel in ICES divisions IIa (EC zone), IIIa, IIIb, c, d (EC zone) and IV with effect from 6 November⁵ and for whiting in ICES divisions IIa (EC zone) and IV with effect from 7 November;⁶

(iii) United Kingdom vessels from fishing for mackerel in ICES divisions IIa (EC zone), IIIa, IIIb, c, d (EC zone), and IV with effect from 6 November;⁵

(iv) German vessels from fishing for saithe in ICES divisions Vb (EC zone), VI, XII and XIV with effect from 15 November;⁷

(v) Belgian vessels from fishing for cod in ICES divisions VII (except VIIa), VIII, IX, X and CECAF 34.1.1 (EC zone) with effect from 25 November;⁸

(vi) Danish vessels from fishing for mackerel in ICES division IIa (Norwegian waters) with effect from 25 October.⁹

2.1.222. On 18 November the Commission repealed⁹ its Regulation of 17 April 1987 prohibiting vessels flying the flag of the United Kingdom fishing for saithe in

ICES divisions VII, VIII, IX, X and CECAF 34.1.1 (EC zone).¹⁰

National measures

Protection of local stocks

2.1.223. On 30 October the Commission, acting under Article 14 of the Regulation of 7 October 1986,¹¹ took note of a draft United Kingdom Order the provisions of which apply to the waters falling within the jurisdiction of the Cornwall Sea Fisheries District off the south-west coast of England.

Measures stricter than Community rules

2.1.224. On 25 November the Commission took note of a draft Belgian Royal Decree laying down certain provisions relating to the control of fishing activities. The Commission found that the text of the draft, which repeals and replaces the Royal Decree of 24 March recorded by the Commission on 28 August,¹² had been adjusted as requested by the Commission.

Measures to give effect to Community rules

2.1.225. On 25 November the Commission took note of two Belgian Royal Decrees amending that laying down measures relating to the management of national cod and sole quotas in 1987. The Commission found the measures introduced by these two Decrees to be compatible with

¹ COM(87) 595 final.

² OJ L 288, 11.10.1986; Bull. EC 10-1986, point 2.1.174.

³ OJ L 316, 6.11.1987.

⁴ OJ L 320, 10.11.1987.

⁵ OJ L 315, 5.11.1987.

⁶ OJ L 338, 28.11.1987.

⁷ OJ L 329, 20.11.1987.

⁸ OJ L 335, 25.11.1987.

⁹ OJ L 328, 19.11.1987.

¹⁰ OJ L 104, 16.4.1987; Bull. EC 4-1986, point 2.1.130.

¹¹ OJ L 288, 11.10.1986; Bull. EC 10-1986, point 2.1.174.

¹² Bull. EC 7/8-1987, point 2.1.243a.

Article 5(2) of Regulation (EEC) No 170/83 of 25 January 1983.¹

External aspects

Bilateral relations

Greenland

2.1.226. At the request of Greenland consultations were held in Copenhagen on 18 and 19 November.² The two parties reached an agreement on the catch possibilities available to the Community in Greenland waters in 1988.

Norway and Sweden

2.1.227. The bilateral consultations which the Community holds each year with Norway and Sweden began in October³ and ended on 28 and 30 November respectively, agreements having been reached on reciprocal fishing rights and conditions for 1988.

The annual trilateral consultations, which had also begun in October,³ ended on 25 November with an agreement on fishing rights and conditions for all three parties in the Skagerrak and Kattegat in 1988.

Angola

2.1.228. On 30 November the Council adopted a Regulation⁴ relating to the conclusion of an agreement between the Community and Angola on fishing off the Angolan coast.⁵

Senegal

2.1.229. A first round of negotiations on the renewal of the fisheries agreement between the Community and Senegal⁶ was held in Brussels from 3 to 5 November.

Equatorial Guinea

2.1.230. On 4 November the Community and the Republic of Equatorial Guinea signed in Brussels the new fisheries agree-

ment⁷ which had been initialled in Madrid on 23 June 1986.⁸ The agreement, which will last for three years, provides for fishing authorizations for trawlers and 59 tuna boats, financial compensation amounting to 5 115 000 ECU and a contribution of 200 000 ECU towards a scientific programme.

Sao Tome and Principe

2.1.231. On 23 November the Council, acting on a proposal from the Commission,⁹ adopted a Regulation¹⁰ relating to the conclusion of an agreement amending that between the Community and the Government of the Democratic Republic of Sao Tome and Principe on fishing off the coast of Sao Tome and Principe, signed in Brussels on 1 February 1984.¹¹

Madagascar

2.1.232. The Joint Committee provided for in the EEC-Madagascar fisheries agreement¹² met in Brussels on 12 November in order to bring the said agreement into line with the others applicable to the Indian Ocean. The two parties agreed to increase from 33 to 40 the number of tuna boats authorized to fish at the same time; on the other hand, the maximum number of licences which may be granted was reduced from 49 to 40.

Multilateral relations

Iccat

2.1.233. The Commission represented the Community at the tenth meeting¹³ of Iccat

¹ OJ L 24, 27.2.1983.

² Bull. EC 11-1986, point 2.1.217.

³ Bull. EC 10-1987, point 2.1.182.

⁴ OJ L 341, 3.12.1987.

⁵ OJ C 263, 2.10.1987, Bull. EC 9-1987, point 2.1.172.

⁶ OJ L 361, 31.12.1985; Bull. EC 12-1985, point 2.1.197.

⁷ OJ L 29, 30.1.1987; Bull. EC 1-1987, point 2.1.118.

⁸ Bull. EC 6-1986, point 2.1.212.

⁹ OJ C 276, 15.10.1987; Bull. EC 9-1987, point 2.1.175.

¹⁰ OJ L 337, 27.11.1987.

¹¹ OJ L 54, 25.2.1984; Bull. EC 7/8-1983, point 2.1.162;

OJ L 114, 27.4.1985; Bull. EC 4-1985, point 2.1.92.

¹² OJ L 98, 10.4.1987; Bull. EC 3-1987, point 2.1.186.

¹³ Bull. EC 11-1985, point 2.1.154.

(International Commission for the Conservation of Atlantic Tunas), held in Ponta Delgada (Azores) from 18 to 24 November.

Markets and structures

Market organization

2.1.234. On 23 November the Council, acting on a proposal from the Commission,¹ adopted a Regulation² amending Annex VI to the Regulation of 29 December 1981 on the common organization of the market in fishery products³ and the Annex to the Regulation of 28 June 1968 on the Common Customs Tariff.⁴

2.1.235. On 12 November the Commission sent to the Council a report on the situation of the herring market.⁵ The report takes stock of the market situation, and provides the Council with basis for discussions on how the problems affecting this market may be resolved in the long term.

2.1.236. On 9 November the Commission sent to the Council three proposals for Regulations⁶ fixing the guide prices for the fishery products listed in Annex I(A), (D) and (E) and in Annex II to the Regulation of 29 December 1981⁷ and fixing the producer price for tuna intended for the canning industry for the fishing year running from 1 January to 31 December 1988.

Apart from the statutory criteria for the setting of prices (average of prices recorded at representative wholesale markets and ports over the past three years, outlook for production and demand, contribution towards the maintenance of producers' incomes, consideration of consumers' interests), account was taken of various other factors such as the rate of inflation in the Community, the varied nature of the markets concerned, the adjustment of the green rate as from 1 January 1988 and the budgetary guidelines for the common agricultural policy as a whole.

The change in prices in ECU thus ranges from - 10% (herring) to + 1% (white fish) for fresh products and from 0% (squid) to + 2% (sea bream) for frozen products, whilst a 5% price reduction is proposed in the case of tuna intended for the canning industry.

2.1.237. On 3 November the Commission adopted a Regulation determining the maximum amount of the compensation for tuna supplied to the canning industry for the period 1 June to 31 August 1986.⁸ Such compensation, which is paid to tuna producers established in Spain, may not exceed 76 ECU/t for whole yellowfin tuna weighing more than 10 kg or 79 ECU/t for those weighing 10 kg or less.

2.1.238. On 17 November the Commission adopted a Regulation⁹ amending that of 23 December 1986 fixing, for the 1987 fishing year, the annual import quotas for the fishery products subject to the rules for the application of quantitative restrictions by Spain and Portugal.¹⁰ The amendment raises the Spanish import quota for frozen hake from 17 000 tonnes to 22 750 tonnes for 1987, the additional 5 750 tonnes being allocated to the fourth quarter of the year.

2.1.239. On 19 November the Commission adopted a Regulation making imports of certain frozen squid subject to observance of the reference price.¹¹ This measure, which will remain in force until 31 October 1988, was taken because substantial quantities of these products were being imported into the Community at abnormally low prices. The products con-

¹ Bull. EC 9-1987, point 2.1.62.

² OJ L 336, 26.11.1987.

³ OJ L 379, 31.12.1981; Bull. EC 12-1981, point 2.1.140.

⁴ OJ L 172, 22.7.1968.

⁵ COM(87) 542 final.

⁶ COM(87) 528 final.

⁷ OJ L 379, 31.12.1981.

⁸ OJ L 313, 4.11.1987.

⁹ OJ L 327, 18.11.1987.

¹⁰ OJ L 379, 31.12.1986; Bull. EC 12-1986, point 2.1.284.

¹¹ OJ L 329, 20.11.1987.

cerned are squid of the genera *Loligo* and *Illex* (frozen, whole, not cleaned).

Structures

State aid

2.1.240. The Commission raised no objection to two Italian aids in the form of a permanent withdrawal premium for vessels measuring less than 12 metres which are barred from fishing in the Mediterranean and a laying-up premium for undertakings engaged in fishing in the Mediterranean and using vessels measuring 9 metres or over, together with a daily allowance for crew members during the period for which vessels are laid up. The 1987 budget for these measures to bring the fishing fleet's production capacity into line with catch possibilities is LIT 20 000 million for the permanent withdrawal premium and LIT 25 000 million for the laying-up premium.

2.1.241. On the other hand, the Commission terminated the Article 93(2) procedures in respect of:

(i) a Sicilian bill which introduces general aid schemes for the fisheries sector and in respect of which the Commission initiated a procedure in January.¹ The bill in question has been replaced by a new law which takes into account the Commission's observations and will apply as from the 1987 budget year;

(ii) an Italian bill which adjusts the production capacity of the Italian fishing fleet to catch possibilities and in respect of which the Commission initiated a procedure in May.² It has been superseded by a new bill approved by the Commission (→ point 2.1.240).

Transport

Infrastructure

2.1.242. On 25 November the Commission sent the Council a proposal³ for a

Regulation on the grant of financial support to transport infrastructure projects. The proposed financial contribution is 53 million ECU and is intended for projects which the Commission regards as being in the Community interest on the basis of objectives and criteria fixed by the Council⁴ in November 1986.

Inland transport

Road transport

Access to the market

2.1.243. On 26 November the Commission adopted a Decision on a further increase in addition to the annual increase in the Community quota for the carriage of goods by road for 1988.⁵ This additional increase was applied in accordance with the Council Regulation of 16 December 1976 on the Community quota for transport operations between Member States⁶ (as last amended by the Regulation⁷ of 30 June 1987), and was designed to take account of the transit difficulties encountered by some Member States (Belgium, Greece, Spain, Italy and Portugal).

2.1.244. On 18 November the Economic and Social Committee adopted an opinion (→ point 2.4.45) on the proposal for a Regulation laying down the conditions under which non-resident carriers may operate national road passenger transport services within a Member State.⁸

2.1.245. On 18 November the Economic and Social Committee adopted an opinion (→ point 2.4.46) on the proposal for a Regulation on common rules for the inter-

¹ Bull. EC 1-1987, point 2.1.124.

² Bull. EC 5-1987, point 2.1.198.

³ COM(87) 579 final.

⁴ Bull. EC 11-1986, point 2.1.227.

⁵ Bull. EC 10-1987, point 2.1.200.

⁶ OJ L 357, 29.12.1976.

⁷ OJ L 179, 3.7.1987; Bull. EC 6-1987, point 2.1.222.

⁸ OJ C 77, 24.3.1987; Bull. EC 2-1987, point 2.1.169.

national carriage of passengers by coach and bus.¹

Fixing of rates

2.1.246. On 25 November the Commission sent the Council a proposal² to amend the Council Regulation of 1 December 1983 on the fixing of rates for the carriage of goods by road between Member States.³ The amendment would extend for one year the tariff arrangements provided for in the 1983 Regulation, which expires on 31 December 1988, in order to ensure the continuity of the Community rules on this topic pending the decisions which are to be made on the organization of the market for the carriage of goods by road between Member States.

Inland waterways

Access to the occupation

2.1.247. On 9 November the Council adopted⁴ a Commission proposal⁵ on access to the occupation of carrier of goods by waterway in national and international transport and on the mutual recognition of diplomas, certificates and other evidence of formal qualifications for this occupation. The Council had approved this Directive in June.⁶

Sea transport

2.1.248. Pursuant to the Regulation of 22 December 1986 laying down detailed rules for the application of Articles 85 and 86 of the Treaty to maritime transport,⁷ the Commission announced⁸ that it had initiated a procedure concerning the unfair pricing practices alleged to be pursued by the Hyundai Merchant Marine Company Ltd of the Republic of Korea in liner trades between the Community and Australia.

Air transport

2.1.149. On 19 November Parliament adopted an opinion⁹ on the package of civil

aviation measures on which the Council reached agreement in June¹⁰ but was not able formally to adopt because of the conflict between the Spanish and United Kingdom Governments on the question of Gibraltar airport. Parliament therefore called on the Spanish Minister for Foreign Affairs and the UK Foreign Secretary to pursue their discussions urgently to enable these measures to be adopted at the Council meeting to be held on 7 December. In addition it asked the Commission to present proposals for the Community measures needed to ensure the free and safe flow of intra-Community air transport.

2.1.250. On 26 and 27 November the Commission organized a symposium on air safety, which was opened by Mr Clinton Davis and attended by many representatives of all sectors of civil aviation: national governments, airlines, trade unions and associations, aircraft builders, passengers, consumers and the specialist press.

A considerable amount of time was devoted to discussion, and the following three aspects of air safety were examined: prevention (aircraft maintenance, staff training and licences and air traffic control); protection (airports, fire protection and cabin layout standards) and investigation (accident investigation, reporting systems on aircraft accidents/incidents and general aviation).

The Commission emphasized that maintenance and improvement of the level of safety must form an integral part of any overall air transport policy and that it intended, after the symposium, to make known its standpoint on the questions and priorities

¹ OJ C 120, 6.5.1987; Bull. EC 2-1987, point 2.1.170.

² OJ C 3, 7.1.1988; COM(87) 584 final.

³ OJ L 359, 22.12.1983; Bull. EC 12-1983, point 2.1.200.

⁴ OJ L 322, 12.11.1987.

⁵ OJ C 351, 24.12.1983; Bull. EC 12-1983, point 2.1.196; OJ C 214, 14.8.1984; Bull. EC 7/8-1984, point 2.1.170.

⁶ Bull. EC 6-1987, point 2.1.226.

⁷ OJ L 378, 31.12.1986; Bull. EC 12-1986, point 2.1.300.

⁸ OJ C 308, 18.11.1987.

⁹ OJ C 345, 21.12.1987.

¹⁰ Bull. EC 6-1987, point 2.1.227.

on this topic which needed to be fixed over the years to come.

Summer time

2.1.251. On 9 November the Commission sent the Council a proposal¹ for a fourth Council Directive on summer time arrangements. The aim of this proposal is to extend the current arrangements under the third Directive on this topic² (1986 to 1988) to cover 1989. In 1989 summer time would start on the last Sunday in March for all Member States and end on the last Sunday in September for all Member States except Ireland and the United Kingdom and on the last Sunday in October for Ireland and the United Kingdom.

2.1.252. On 20 November Parliament adopted a legislative resolution³ (cooperation procedure) embodying its opinion in first reading on this proposal, which it approved.

2.1.253. On 19 November the Economic and Social Committee also endorsed this proposal (→ point 2.4.47).

Transport statistics

2.1.254. On 24 November the Commission adopted a Regulation⁴ on the recording of the mode of transport in the statistics of trade between Member States.

2.1.255. On 26 November the Commission sent the Council a proposal⁵ to amend the Directive⁶ of 12 June 1978 on statistical returns in respect of carriage of goods by road, as part of regional statistics.

International cooperation

Community transit through Yugoslavia and Switzerland

2.1.256. A delegation of Commission officials went to Belgrade on 9 and 10 November and to Berne on 16 November to meet the Yugoslav and Swiss authorities.

These visits are a token of the Community's willingness to arrive at specific joint solutions to problems arising in transit traffic. Making a reality of the Community's internal market and the common transport policy depends in part on solutions being found to these problems. The Swiss and Yugoslav delegations, like that of the Commission, stressed the importance they attached to the need for these future negotiations⁷ to begin as soon as possible.

Energy

Council

2.1.257. On 13 November, pending receipt of the opinions of Parliament and the Economic and Social Committee, the Council established a common position on a recommendation to the Member States on developing the exploitation of renewable energy sources in the Community on the basis of the communication⁸ which the Commission had transmitted to it on 30 September. It noted that the Commission intended to organize an international conference in the autumn of 1988 which would aim to identify the obstacles which currently exist to the marketing of these forms of energy.

The Council adopted conclusions on improving the efficiency of electricity use, on which the Commission had sent it a communication⁹ on 28 October. It acknowledged the importance of this objective and noted that the Commission intended to transmit to it a work programme for this area in which it would involve all the parties concerned.

¹ OJ C 325, 4.12.1987; COM (87) 541 final.

² OJ L 331, 19.12.1984; Bull. EC 12-1984, point 2.1.202.

³ OJ C 345, 21.12.1987.

⁴ OJ L 335, 25.11.1987.

⁵ OJ C 4, 8.1.1988; COM(87) 548 final.

⁶ OJ L 168, 26.6.1978.

⁷ Bull. EC 9-1987, point 2.1.189.

⁸ OJ C 279, 17.10.1987; Bull. EC 9-1987, point 2.1.192.

⁹ Bull. EC 10-1987, point 2.1.207.

The Council went on to discuss the proposal¹ for a Directive on information on the energy efficiency of buildings presented to it by the Commission on 14 September. It asked the Commission to consider the possibility of the Council's conclusions taking the form of a recommendation to the Member States rather than a Directive.

The Council decided that examination of the costs borne by the refining industry in complying with Community legislation on the environment should continue to be the subject of contacts between the Member States and the Commission. In conclusion, the Council held exchanges of views on the oil market situation and the energy aspects of bio-ethanol.

Specific matters

Alternative energy sources and energy saving

2.1.258. On 25 November, on the basis of the Council Regulation² of 20 December 1985, the Commission published an invitation³ to interested parties to submit requests for financial support for demonstration projects in the field of energy by 15 April 1988.

Nuclear safety

Radiation protection

Basic standards

2.1.259. On 6 November the Commission sent the Council a proposal for a Regulation on the conditions governing imports of agricultural products originating in non-member

countries following the accident at Chernobyl nuclear power station.⁴ This proposal, which is supplementary to that of 22 October,⁵ seeks to extend until 31 October 1989 the Regulation of 30 May 1986,⁶ which expired on 31 October last, and to amend the list of exempt products.

2.1.160. On 8, 23 and 24 November the Council continued its discussions⁷ of the problems raised by the future permanent arrangements involving the fixing of maximum permitted radioactivity levels for foodstuffs, feedingstuffs and drinking water in the case of abnormal levels of radioactivity or of a nuclear accident⁸ and by 'post-Chernobyl' safeguards relating to the conditions under which agricultural products originating in non-member countries may be imported following the accident at the Chernobyl nuclear power station.⁹

Despite a constructive debate which brought progress on some points, it was not possible to arrive at a joint position.

For the time being, 11 Member States will continue to ensure that the maximum tolerances applied to agricultural and processed products for human consumption are not changed.¹⁰ In addition, the Member States recalled their statement of 12 May 1986 in which they gave an undertaking not to apply maximum tolerances to such products originating in other Member States which were more stringent than those applied to domestic products.¹¹

¹ OJ C 267, 6.10.1987; Bull. EC 9-1987, point 2.1.191.

² OJ L 350, 27.12.1985; Bull. EC 12-1985, point 2.1.226.

³ OJ C 313, 25.11.1987.

⁴ COM(87) 568 final.

⁵ Bull. EC 10-1987, point 2.1.216.

⁶ OJ L 146, 31.5.1986; Bull. EC 5-1986, point 1.1.3.

⁷ Bull. EC 10-1987, point 2.1.214.

⁸ OJ C 174, 2.7.1987; Bull. EC 5-1987, point 2.1.208.

⁹ Bull. EC 10-1987, point 2.1.216; COM(87) 568 final.

¹⁰ The Greek delegation reserved its position.

¹¹ Bull. EC 5-1986, point 1.1.3.

2. External relations

Commercial policy

Implementing the common commercial policy

Commercial policy instruments

Easing of restrictive measures

2.2.1. Under the Council Regulation of 14 November 1983 on import arrangements for products originating in State-trading countries, not liberalized at Community level,¹ the Commission adopted the following measures:

Opening of quotas²

Federal Republic of Germany — Poland: footwear with uppers of leather (for German manufacturers only) (CCT 64.02 ex A);³

Italy — Bulgaria: polyvinyl chloride (CCT 39.02 C ex VII — Nimexe Code 39.02.54);⁴

Italy — USSR: footwear for sports and gymnastics other than ski-boots (CCT 64.02 ex A — Nimexe Code 64.02.29);⁴

Italy — People's Republic of China: yarn spun from waste silk, other than noil, in gum, (unbleached), degummed or bleached (category ex 130 B — Nimexe Code 50.05.10);⁴ silk dressing-gowns and bed-jackets for men and/or women (category ex 78 — Nimexe Code 61.01.26; category ex 81 — Nimexe Code 61.02.24);⁴ silk pyjamas for men and silk pyjamas and nightdresses for women (Category ex 18 — Nimexe Code 61.04.18).⁴

Modification of quotas

United Kingdom — Poland: transistorized television broadcast receivers (CCT 85.15 A ex III);⁵

Federal Republic of Germany — Romania: textiles under outward processing arrangements (Categories 6 and 7).⁵

Trade protection

2.2.2. Trade protection measures taken in November are shown in Table 7.

¹ OJ L 346, 8.12.1983.
² For steel products, see point 2.1.53.
³ OJ C 301, 11.11.1987.
⁴ OJ C 307, 17.11.1987.
⁵ OJ C 313, 25.11.1987.

Table 7 — Trade protection measures

Council ¹	Commission ¹
<i>Definitive anti-dumping duty on imports of:</i> Urea originating in Lybia and Saudi Arabia OJ L 317, 7.11.1987 Pentaerythritol originating in Canada OJ L 321, 11.11.1987 Ferro-silico-calcium/calcium silicide originating in Brazil OJ L 322, 12.11.1987	<i>Suspension of the illicit commercial practices procedure regarding the unauthorized reproduction of sound recordings in Indonesia</i> OJ L 335, 25.11.1987 <i>Amendment of acceptance of undertaking regarding imports of:</i> <ul style="list-style-type: none">• Pentaerythritol originating in Sweden OJ L 321, 11.11.1987 (acceptance of undertaking: OJ L 254, 22.9.1984)

Council ¹	Commission ¹
<p><i>Amendment of Regulation imposing a definitive anti-dumping duty on imports of:</i></p> <p>Certain kinds of ball-bearings originating in Japan OJ L 336, 26.11.1987 (definitive anti-dumping duty: OJ L 193, 21.7.1984)</p> <p><i>Acceptance of undertakings regarding imports of:</i></p> <p>Urea originating in Czechoslovakia, German Democratic Republic, Kuwait, USSR, Trinidad and Tobago or Yugoslavia OJ L 317, 7.11.1987</p>	

¹ For steel products, see points 2.1.49 and 2.1.50.

Export credits

2.2.3. At its meeting from 17 to 20 November the OECD Exports Credit Group approved a new text for the arrangement on export credits, which incorporates all the relevant technical amendments to take account of the agreement reached in March on mixed credits.¹ The text was approved subject to confirmation, pending agreement on certain details of presentation.

Regarding the sector agreement on large aircraft, exploratory talks were held with the United States with a view to modifying the interest rate system for purchasing aircraft, the repayment period and the insurance premiums.

Sectoral commercial policy measures

Textiles

Agreements and arrangements with non-member countries

MFA countries

2.2.4. Consultations with Pakistan were held in Brussels from 25 to 27 November

with a view to introducing a limit on Pakistan's exports of blouses (Category 7) to France, Spain and Ireland. Discussions will continue during the first week of December.

Mediterranean preferential countries

2.2.5. Talks with the Turkish Associations of Exporters of Textile Products² were held in Brussels on 11 and 12 November to discuss the renewal of the administrative cooperation agreement which expires at the end of the year.³ Negotiations will be resumed in December.

2.2.6. Negotiations with Egypt from 23 to 25 November resulted in agreement on the renewal of the arrangement on cotton yarn for a further two years.⁴

Non-ferrous metals

2.2.7. On 23 November⁵ the Commission sent the Council a proposal for a Regulation on export arrangements for certain types of

¹ Bull. EC 3-1987, point 2.2.4.

² Bull. EC 10-1987, point 2.2.13.

³ Bull. EC 12-1985, point 2.3.11.

⁴ Bull. EC 11-1985, point 2.3.7.

⁵ COM(87) 567 final.

non-ferrous metal waste and scrap. The aim of the proposal is to retain for a further year the surveillance system in force in 1987 for aluminium and lead waste.¹

Relations with industrialized countries

Canada

Twice-yearly high-level consultations

2.2.8. The twice-yearly high-level consultations between the Community and Canada were held in Brussels on 16 and 17 November.²

The bilateral trade issues discussed included the following: Community cheese exports and the possible expansion of the Canadian import quota to take account of the Community's enlargement; Community beef exports, still blocked by a Canadian countervailing duty, despite its condemnation in a draft report drawn up by a GATT panel; Community exports of wine and spirits, with reference to the Community's challenge in GATT to Canada's practices; the negotiations under Article XXIV.6 of the GATT, at which the Commission has made suggestions for resolving the current impasse created by disagreement on the possible binding in Portugal of the duty on salted cod. Apart from a brief review of other outstanding bilateral trade items, the other main topics discussed were the US-Canada draft free trade agreement, the multilateral trade negotiations, agriculture, and fisheries relations.

Japan

2.2.9. At its 23 and 24 November meeting the Council approved by a qualified majority the outcome of the negotiations the Commission had conducted with Japan under Article XXIV.6 of the GATT following the enlargement of the Community;³ it also approved the resulting tariff measures

(rebinding). The Council also asked the Commission to continue its current efforts aimed at opening up the Japanese market to European exports.

Japan has undertaken to implement a number of measures concerning tariffs and plant health checks in order to open up its market. The products involved are of interest more especially to Spain and Portugal, in line with the Council's directives, since the two new Member States are liberalizing their import arrangements as part of the progressive alignment on Community arrangements.

In return the Community will rebind the customs duties on products exported by Japan at the level previously applied by the Ten.

In view of the special nature of these negotiations (Japan has not at any stage agreed that they are negotiations under Article XXIV.6), there will not be any formal agreement. Each side will therefore implement its measures unilaterally.

2.2.10. On 10 November the GATT Council adopted the report on imports of alcoholic beverages into Japan.⁴ The setting-up of the panel which produced this report had been requested by the Commission in February, mainly on the grounds of the highly discriminatory system of taxation used by Japan.⁵

The panel upheld most of the Community's arguments, taking the view that the system of categories for whisky and brandy favoured local production at the expense of imports, and that the way the system was designed as regards certain traditional beverages and the application of exorbitant *ad valorem* rates ran counter to Article III.1 and 2 of the GATT. It did not, however, back the Community in its complaint about the confusion resulting from the lack of protection afforded in the labelling of wine

¹ OJ L 377, 31.12.1986; Bull. EC 12-1986, point 2.2.7.

² Bull. EC 6-1987, point 2.2.9.

³ Bull. EC 5-1987, point 2.2.13.

⁴ Bull. EC 10-1987, point 2.2.17.

⁵ Bull. EC 2-1987, point 2.2.40.

and spirits, because of the lack of specific binding rules on this matter in the General Agreement.

New Zealand

2.2.11. Mr Colin Moyle, New Zealand's Minister for Agriculture, met Mr De Clercq in Brussels on 23 November. Mr Moyle voiced his country's concern regarding problems affecting milk products and the arrangements which the Community applies to sheepmeat. He stressed that the profitability of New Zealand's dairy sector at present depended very much on the conditions prevailing in international trade and that the pattern of developments in the trade negotiations was of vital importance for his country's future. Mr De Clercq expressed satisfaction at the progress already made in the negotiations and confirmed that the Community's objectives were to move on to comprehensive discussions and to implement the results in a balanced package. He also announced that 1988 would bring an opportunity for a mid-term review and for giving further political impetus to the negotiations.

European Free Trade Association

2.2.12. On 27 November one of the twice-yearly meetings between Commission and EFTA senior officials was held in Brussels. The progress made by expert groups in the twenty or so fields selected as part of the initial stage of increased cooperation between the Community and EFTA was examined, and on this basis new medium-term guidelines were established. The senior officials also started their preparations for the Community-EFTA meeting to be held at ministerial level in February next year to discuss the internal market and for the Community-EFTA ministerial meeting to be held in mid-June.

2.2.13. On 30 November Mr De Clercq held talks with Mrs Anita Gradin, retiring Chairman of the EFTA Council, to take stock of cooperation between the Community and EFTA over the last year.

Austria

2.2.14. On 20 November the Austrian Chancellor, Dr Franz Vranitzky, who was in Belgium on an official visit, was also a guest of the Commission, where he had talks with Mr Delors and Mr De Clercq. The main topics which he discussed with Mr Delors were the development of the Community, the prospects for multilateral cooperation in the Community-EFTA context and also for bilateral Community-Austria cooperation, certain matters which have recently arisen (such as the 'exequatur' agreement) and the trend of East-West relations. He talked with Mr De Clercq about the CSCE Conference, Austria's alignment with the Community in certain areas (particularly the adaptation of legislation) and specific problems connected with Community transit through Austrian territory.

Finland

2.2.15. On a visit to the Commission, Mr Kaarlehto, the Finnish Under-Secretary of State for Foreign Affairs, had talks with Mr Sutherland, the Member of the Commission with special responsibility for competition, on matters connected with policy regarding State aids, in particular in the shipbuilding industry.

Norway

2.2.16. On 9 November the opening of a Commission delegation in Oslo was attended by Mr Ellemann-Jensen, Denmark's Foreign Minister and President of the Council, Mr De Clercq, and Mr Christophersen, Vice-President of the Commission. The presence of many leading figures in Norway's political, social and economic life and the importance accorded to the event by the media testify to the interest which it aroused among the Norwegians.

During his visit, Mr De Clercq had talks with members of the Norwegian Government — Mrs Gro Harlem Brundtland, the Prime Minister, Mr Thorvald Stoltenberg,

the Foreign Minister, and Mr Kurt Mosbakk, the Trade Minister.

Switzerland

2.2.17. On 12 and 13 November Mr Jean-Pascal Delamuraz, member of Switzerland's Federal Council and Head of the Public Economy Department, paid an official visit to the Commission. He was received by Mr Delors and had talks with Lord Cockfield and Mr Andriessen, Vice-Presidents of the Commission, and with Mr De Clercq, Mr Clinton Davis and Mr Cardoso e Cunha. At this series of meetings detailed discussions were held on a large number of multilateral and internal issues, such as the medium-term outlook for cooperation with EFTA in the internal market context, the prospects for the GATT negotiations (Uruguay Round) and East-West relations. At bilateral level the discussions covered matters connected with transit, trade in agricultural products and the problems arising in the negotiation of the agreement on insurance other than life insurance.

During this visit, Mr Delamuraz and Mr De Clercq signed an agreement on Switzerland's participation in the Community's Eurodicautom terminology data base.

Relations with other countries and regions

Mediterranean countries

Mediterranean policy of the enlarged Community

2.2.18. The Additional Protocol¹ to the Cooperation Agreement between the EEC and the Republic of Tunisia² signed at Brussels on 26 May³ came into force on 1 November.⁴

2.2.19. On 5 November⁵ the Commission presented to the Council a recommendation for a Council Decision on the conclusion

of a Protocol on financial and technical cooperation between the Community and Lebanon. This recommendation follows negotiations between the Commission and Lebanon under the Council Directives of 25 November 1985⁶ and 30 March.⁷

Turkey

2.2.20. Under the special aid programme for Turkey,⁸ the Commission on 17 November approved a grant of 500 000 ECU to finance the EEC-Turkey Business Week project and a grant of 1 500 000 ECU to finance an anti-malaria campaign in the eastern Mediterranean coastal region of Turkey.

Yugoslavia

2.2.21. On 12 November⁹ the Commission sent the Council a recommendation for a Council Decision concerning the conclusion of a Protocol to the Cooperation Agreement between the Community and Yugoslavia,¹⁰ and a draft Protocol to the Agreement between the Member States of the European Coal and Steel Community and the European Coal and Steel Community of the one part, and Yugoslavia of the other part, consequent on the accession of Spain and Portugal to the Community. The recommendation and the draft Protocol follow the Commission's negotiations with Yugoslavia¹¹ pursuant to the Council Directives of 25 November 1985.⁶

2.2.22. Various economic cooperation activities have been organized: a seminar on poultry breeding in the Mediterranean (Belgrade, 5 to 7 November); a study trip

¹ OJ L 297, 21.10.1987; Bull. EC 9-1987, point 2.2.16.

² OJ L 265, 27.9.1978.

³ Bull. EC 5-1987, points 2.2.16 and 2.2.21.

⁴ OJ L 309, 31.10.1987.

⁵ OJ C 323, 3.12.1987; COM(87) 529 final.

⁶ Bull. EC 11-1985, point 2.3.16.

⁷ Bull. EC 3-1987, point 2.2.14.

⁸ Bull. EC 6-1980, point 1.4.1 *et seq.*

⁹ COM(87) 552 final.

¹⁰ OJ L 41, 14.2.1983; Bull. EC 1-1983, point 2.2.21.

¹¹ Bull. EC 7/8-1987, point 2.2.33.

to the Member States on the use of information technology and telematics in the Yugoslav tourist industry (23 November to 5 December); and the Commission's fourth information visit¹ for eight senior Yugoslav officials.

Morocco

2.2.23. During discussions in Brussels on 10 November, Mr Fettah, the Moroccan Minister for Energy, and Mr Mosar, Member of the Commission with special responsibility for energy, welcomed progress in energy cooperation between the Community and Morocco following Mr Mosar's official visit to Morocco in February. Mr Fettah and Mr Mosar reviewed the initial cooperation activities, which included training projects, exchanges of information and measures to promote the rational use of energy (the 'energy bus').

Egypt

2.2.24. A Commission delegation led by Mr Rhein and Mr Pettovich, Director of the EIB, visited Cairo and met several members of the government to plan Community aid activities under the third Financial Protocol;² this makes available a total of 449 million ECU—200 million from the Community budget (including 11 million ECU of risk capital), and 249 million ECU of EIB loans.

The discussions led to agreement on priorities. In the light of Egypt's development objectives, the two sides agreed to concentrate firstly on expanding and diversifying agricultural production to increase the country's self-sufficiency in food, and secondly on industrial and scientific cooperation. Finance will also be provided for infrastructure projects—preferably connected to the productive sector—and energy projects.

As regards agriculture, which will receive 64% of the Commission-administered funds, the Commission will support the development strategy of one or two food-

producing sectors. It will also finance a soil improvement project in the Kom Ombo region. The Commission will also help finance the final stage of an infrastructure project, the Helwan wastewater scheme, which received support under the first³ and second⁴ Protocols as well. Investment promotion, finance for small and medium-sized industry and scientific cooperation will complete the range measures.

The EIB will concentrate on support for industry (small and medium-sized enterprises), agriculture (agro-industries and expansion of storage capacity) infrastructure and the energy sector.

Lebanon

2.2.25. Under the Financial Protocol to the EEC-Lebanon Agreement,⁵ the Commission approved finance totalling 500 000 ECU for the Lebanon faculty of medicine to purchase laboratory equipment which will enable a higher standard of training to be provided.

Countries of the Gulf and the Arabian peninsula

2.2.26. On 23 November the Council approved directives⁶ authorizing the Commission to open negotiations with the Member States of the Gulf Cooperation Council (GCC)⁷ with a view to concluding a cooperation agreement.

Initially, the directives provide for the conclusion of a cooperation agreement covering industry, energy, agriculture, fisheries, science and technology and protection of investments and trade. For trade a two-step approach is planned, the first step being a tariff standstill between the parties.

¹ Bull. EC 11-1986, point 2.2.17.

² Bull. EC 3-1987, point 2.2.14.

³ OJ L 266, 27.9.1978.

⁴ OJ L 337, 29.11.1982; Bull. EC 11-1982, point 2.2.68.

⁵ OJ L 267, 27.9.1978.

⁶ Bull. EC 10-1987, point 2.2.32.

⁷ Saudi Arabia, Kuwait, Qatar, Bahrain, the United Arab Emirates and Oman.

The Community will also declare its readiness, as soon as the agreement has been signed, to explore with the GCC countries the possibility of negotiating another type of trade agreement intended to improve access for the two sides' exports to each other's markets, provided it proves possible to meet certain conditions which the Community considers essential, in particular safeguards for sensitive sectors on either side.

Asia

Association of South-East Asian Nations

2.2.27. A ministerial delegation from the member countries of Asean visited the Commission on 20 November. The Malaysian Minister responsible for raw materials, Mr Lim Keng Yaik, reiterated on behalf of the countries of Asean the Association's serious concern about the stabilizing mechanism proposed by the Commission for vegetable oils and fats.¹ He stressed that a drop in exports of vegetable oils would have a serious effect on the rural population. The Commission's proposal would not only endanger the future economic development of the Asean countries, but also have serious consequences for security in South-East Asia.

Mr Andriessen, Commission Vice-President, and Mr Cheysson, Member of the Commission with special responsibility for North-South relations pointed out the common interest of the Community and the Asean countries in cutting Community production of vegetable oils. The rate of growth in this production (up 60% in 1987 compared to 1986) was such that if no action is taken the Community could be expected to become self-sufficient in the near future. This is a real danger, with serious implications for the world vegetable oils market. The measures proposed by the Commission to bring Community production under control and avoid a further fall in world prices are therefore essential.

2.2.28. A conference on the agri-food industry² was held in Bangkok from 30 November to 2 December. The conference, organized by the Commission and the industrial committee of Asean aimed to promote European investment in agri-business in the member countries of Asean.

Sri Lanka

2.2.29. The ninth³ session of the EEC-Sri Lanka Joint Commission was held in Colombo on 18 and 19 November. The Joint Commission reviewed economic, commercial and development relations between the Community and Sri Lanka, and the Community's commitment to Sri Lanka's programme for reconstruction and modernization. The Community expressed its firm intention to pledge a contribution to that programme at the special Donors Group meeting to be held in Paris, under the chairmanship of the World Bank, on 4 December 1987.

The Joint Commission also examined a number of projects in the areas of trade promotion, rural development and energy, and there was an important exchange of views on the scope for cooperation on fisheries.

Republic of Korea

2.2.30. A Commission delegation headed by Mr Loeff, Deputy Director-General for External Relations, visited Seoul in the first week of November. Discussions concerned the protection of intellectual property rights following the promise by the Korean Minister for Foreign Affairs at the last high-level consultation (Brussels, 28 to 30 April)⁴ to grant the Community 'equal, if not identical treatment' with the United States.

The Korean authorities said they were prepared to give the Community the same pro-

¹ OJ C 89, 3.4.1987; Bull. EC 2-1987, point 1.2.14; Bull. EC 9-1987, point 1.5.1.

² Bull. EC 11-1985, point 2.3.19.

³ Bull. EC 5-1986, point 2.2.34.

⁴ Bull. EC 4-1987, point 2.2.27.

tection they gave the United States for copyrights and products 'in the pipeline'¹ but not for products with pending applications for process patent, and they did not accept a compromise proposed by Mr Loeff for the protection of such products by administrative controls.

Latin America

Brazil

2.2.31. The second session² of the Joint Committee set up by the EEC-Brazil framework Cooperation Agreement³ took place in Brasilia from 3 to 5 November. The meeting was marked by a mutual will to strengthen relations between Brazil and the Community.

There was a review of short-term trade problems. With regard to trade promotion, it was decided to hold a GSP seminar during 1988 focusing mainly on improved use of the scheme by small businesses. In addition, the strategy for marketing holidays in Brazil would be continued in the Community in 1988.

The Joint Committee then discussed industrial cooperation, a new subject, agreeing on a bilateral programme with mechanisms for backup, promotion, information and training. It approved the setting-up of an EEC-Brazil Business Council, an informal and flexible consultative body designed to promote bilateral relations and composed of representatives of the private and public sectors.

It also set up a special subcommittee on scientific and technical cooperation. Multilateral cooperation will come under the 1987-90 Community programme for science and technology for development (agriculture and tropical medicine); a working programme for bilateral cooperation has been drawn up for 1988.

In the area of energy, emphasis was placed on energy programming both regionally (e.g. the programme being carried out in the state of Rio de Janeiro) and nationally.

It will get under way after the visit of a high-level Brazilian delegation to Europe at the end of 1987. A seminar on biomass and on opportunities for industrial cooperation in this area is to take place in Belo Horizonte in April 1988.

As regard training, the Community noted the programmes presented by Brazil and will be considering specific projects.

State-trading countries

China

2.2.32. The Joint Committee set up under the Trade and Economic Cooperation Agreement between the Community and the People's Republic of China⁴ met in Beijing on 19 and 20 November.

The Joint Committee looked first at trends and prospects in trade between the two parties. For the second year running, EEC-China trade shows a notable reduction in the Chinese deficit, due both to an increase in Chinese exports (up 14% in the first half of the year) and a decrease in Community exports (by over 13% in the same period).

The trend towards a more balanced bilateral trading picture is confirmed by both parties' statistics, even though these diverge. Both sides agreed to carry out a study into the discrepancies.

The Chinese side, while acknowledging the drop in imports from the Community (which it felt were not always sufficiently competitive) emphasized that the Community had nevertheless increased its share of China's total imports in 1987. China intended to go on giving priority to trade with the Community, and attached great importance to an increase in European investment, which had fallen considerably

¹ Community products patented in the Community since 1 July 1980 not marketed by 1 July 1987 on the Community market or on the Korean market.

² Bull. EC 1-1984, point 2.2.26.

³ OJ L 281, 4.10.1982; Bull. EC 11-1982, point 2.2.76.

⁴ OJ L 250, 19.9.1985; Bull. EC 9-1985, point 2.3.19.

behind that from other major investing countries. This shows the current relevance of the China/Community symposium on investment in Beijing at the beginning of December.

The discussions also covered the arrangements applied by the Community to Chinese imports (which will be further eased in 1988) and the prospects for China's accession to GATT (the negotiations start in Geneva in February 1988). While China would like to see further liberalization of Community arrangements, the Community is concerned by the price of some Chinese exports and their concentration in sensitive sectors.

After reviewing cooperation activities, both sides concluded that the advances made in 1987 marked a considerable increase in cooperation. In March an exchange of letters was signed providing for the establishment of a joint biotechnology centre.¹ The decision was also taken² to continue the joint business management programme³ and to widen its objectives. Intensive preparatory work took place on Community participation in the Chinese dairy sector development programme, and was to be completed at the meeting of the Joint Committee, with the start of the project planned for the beginning of 1988.

At the end of the meeting both sides expressed satisfaction at the cordial atmosphere of the meeting, a fresh instance of the excellent relations between the Community and China.

2.2.33. The Joint Committee meeting was followed by a workshop on the subject of the Community organized by the Chinese authorities in Foshan. Several senior Commission officials attended.

Hungary

2.2.34. Mr Delors and Mr De Clercq had discussions on 15 November with Mr Janos Kadar, First Secretary of the Hungarian Socialist Workers' Party and Mr Varkony,

Minister for Foreign Affairs, who were on an official visit to Belgium.

The two sides had wide-ranging discussions on current international issues and on East-West relations, and had an exchange of views on bilateral relations between the Community and Hungary. Mr Kadar confirmed his government's intention to establish diplomatic relations with the Community rapidly.

As regards the negotiations which are in progress with a view to concluding a trade and cooperation agreement, both sides expressed their conviction that an agreement was in their mutual interest and their determination to achieve one in the near future.

Development

Council

2.2.35. On the basis of a Commission working paper, the Council discussed at its meeting in Brussels on 9 November the economic situation of the sub-Saharan African States, the process of structural adjustment currently under way and the support that could be given by the Community and its Member States. It was agreed that there should be improved coordination between the Commission and the Member States as regards support for structural adjustment and more flexible use of the relevant Community instruments.

Pending the opinion of Parliament, the Council approved a common position on the Commission communication concerning a special programme to aid certain highly indebted low-income countries in sub-Saharan Africa (→ point 2.2.36).

¹ Bull. EC 3-1987, point 2.1.44.

² Bull. EC 6-1987, point 2.2.26.

³ Bull. EC 7/8-1984, point 2.2.30; Bull. EC 9-1984, point 2.2.26.

The Council held a preliminary exchange of views, pending the opinion of Parliament, on the general guidelines proposed by the Commission for financial and technical assistance for the Latin American and Asian developing countries in 1988 (→ point 2.2.56).

In response to a Commission report on the integration of environmental aspects in the Community's development policy, the Council adopted a resolution emphasizing that 'all programmes and projects [should] form part of and contribute to economically and environmentally sustainable development. Environmental aspects should therefore be taken into account in all sectors of activity under all Community and Member State development policies'. This is line with the objectives set out in the Council's previous resolutions on the environment in 1984¹ And 1986.²

The Council adopted a number of conclusions on women in development, underlining the need for this aspect to be taken fully into account in all cooperation agreements between the Community and the developing countries and in all relevant sectors. Project-related documents such as financing proposals and implementation and evaluation reports must henceforth include specific information on how women will participate in and benefit from project or programme activities. The Commission was asked to draw up an action programme based on the forward-looking strategies adopted at the Nairobi Conference,³ encompassing a number of practical measures to be taken for the implementation of Community policy on women in development.

The Council stressed the importance it attached to the evaluation of development cooperation and adopted a set of guidelines for evaluation. It stipulated that the Commission and the Member States will exchange work programmes and evaluation studies. It proposed ways and means of increasing the feedback into operational practice of lessons and recommendations resulting from evaluation work. The prob-

lem of ensuring that projects are of lasting benefit received special attention. A working party of evaluation experts will be responsible for the application of the Council's guidelines and assessment of the progress made.

The Council took note of a report from Mr Natali, Vice-President of the Commission with special responsibility for cooperation and development, on the implementation of the Community programme to combat AIDS in the developing countries. The programme was approved by the Council at its last meeting on 21 May.⁴

Special Community programme to aid certain low-income countries in sub-Saharan Africa

2.2.36. Pending the opinion of Parliament, the Council approved the Commission communication, accompanied by a proposal for a Decision, on the implementation of a special Community programme to aid certain highly indebted low-income countries in sub-Saharan Africa.⁵

The Community is thus the first donor to have taken practical steps in response to the agreement reached on the debt problems of the poorest developing countries at the Venice Western Economic Summit.⁶

The adoption of the special programme will enable the Commission to play an active role at the next World Bank-organized donors meeting in Paris on 3 and 4 December, which will decide on how to implement the programme of special assistance proposed by the World Bank for certain African countries.

The implementation of the Community programme will be coordinated to dovetail with the activities of the World Bank, the International Monetary Fund and other

¹ Bull. EC 11-1984, point 2.2.34.

² Bull. EC 4-1986, point 2.2.29.

³ Bull. EC 7/8-1985, point 2.1.94.

⁴ Bull. EC 5-1987, point 2.2.26.

⁵ Bull. EC 9-1987, point 1.4.1 *et seq.*

⁶ Bull. EC 6-1987, point 1.2.6 and points 3.7.21 to 3.7.28.

donors or creditors under the World Bank programme referred to above, the aim being to integrate the Community initiative as far as possible.

Lastly, the Council welcomed the Member States' intention of seeking coordination among themselves on the measures to be taken, which extend beyond aid in the strict sense into the area of the Paris Club's activities, retroactive adjustment of bilateral aid terms¹ and the increase in the IMF's structural adjustment facility.

2.2.37. On 20 November Parliament adopted an opinion² on the proposal for a Decision on the allocation of 60 million ECU for the implementation of a special programme to aid certain low-income, highly indebted countries. It approved the Commission's proposal and asked it to report back as soon as possible on the implementation of the proposed measures and the results achieved with the funds allocated.

North-South relations

Cooperation in international forums

United Nations Industrial Development Organization

2.2.38. The second session of the Unido General Conference was held in Bangkok from 9 to 13 November. This provided a first opportunity for the member countries to comment on the policy approaches and achievements of Unido since it became a specialized agency. The Community played an active role at the Conference, in particular contributing statements on its bilateral industrial cooperation and its relations with Unido, and on the organization's own role.

United Nations Food and Agriculture Organization

2.2.39. The FAO held its 24th biennial conference in Rome from 7 to 26 November.³ The Community participated

in this conference, which had to elect the Director-General for the coming six years and take decisions on proposals for policy and organizational reform made by some member countries.

Despite the pressure exerted over the past year by the Nordic and Anglo-Saxon countries to stop the current incumbent, Mr Edouard Saouma, being elected for a third term as Director-General and to ensure the setting-up of a working party of independent experts to propose reforms of the Organization, Mr Saouma was re-elected with 61 % of the votes cast. After occasionally stormy debates, Mr Saouma was also able to assert control over the constitution of the working party responsible for drawing up reform proposals for submission to the conference in November 1989.

Notwithstanding this victory of the Director-General, obtained with the support of the majority of the Community Member States, the FAO may well run into further difficulties, notably budgetary difficulties, in the coming months and years, following the United States' decision to reduce its contribution to the FAO's budget and Australia's move to reconsider its own. Only a third of the FAO's budget, it is calculated, is contributed by the countries which elected Mr Saouma.

During the session, Colombia put forward a draft resolution on the insertion of the principle of prior informed consent in the code of practice for the use of pesticides in order to protect countries from the uncontrolled importation of pesticides that are banned or subject to severe restrictions in the exporting countries. The proposal, as amended by the Nordic countries and subject to a reservation entered by Germany and backed by France, the United Kingdom, Canada, Switzerland, Japan and the United States and a further reservation lodged by

¹ Members of the Paris Club are countries which are official creditors of developing countries, membership of the group varying according to the debtor country concerned.

² OJ C 345, 21.12.1987.

³ Bull. EC 11-1985, point 2.3.49.

Belgium and Italy, was eventually approved after heated discussions.

World Food Programme

2.2.40. The Community took part in the 24th meeting of the WFP's Committee on Food Aid Policies and Programmes.¹ The Community's experience as a food aid donor was the subject of a lively and interesting debate that cleared up a number of misunderstandings concerning the Community's food aid policy and highlighted its development potential

Generalized tariff preferences

Scheme proposed for 1988

2.2.41. An amended proposal concerning the Community's generalized tariff preferences for textiles was presented to the Council by the Commission on 3 November.²

The aim of the proposal is to modify the proposal for a Regulation applying generalized tariff preferences for 1988 to textile products originating in developing countries that was transmitted in June.³ Two kinds of changes are proposed: the provisions governing the management of the preferential amounts are to be the subject of a separate Regulation and adjustments are to be made to the economic content of the initial proposal.³

As regards the economic provisions, it is proposed to adjust the measure of differentiation for countries satisfying the following three criteria: low per capita GNP, position as a dominant supplier of MFA textiles to the Community and heavy dependence on these exports. For countries meeting these criteria the increased differentiation originally proposed by the Commission is adjusted on the basis of product sensitivity.

1988 scheme

2.2.42. On the basis of proposals transmitted by the Commission in June and

November (→ point 2.2.41) and the opinions delivered by Parliament⁴ and the Economic and Social Committee,⁵ the Council adopted on 17 November⁶ the Community's 1988 GSP scheme for agricultural, industrial and steel products. The scheme applicable to textiles was adopted on 3 December.⁷

Because of the complexities of implementing the Harmonized Commodity Description and Coding System on 1 January 1988,⁸ the Community confined the adjustments for sensitive products under the scheme for the industrial sector to the few that were strictly necessary for economic reasons or because of differentiation criteria. The reference basis for non-sensitive products is Community imports in 1986, including those of Spain and Portugal.

The offer for the agricultural sector, being also subject to the restrictions imposed by the transposition of nomenclature, comprised improvements in the preferential margins for just four products and the inclusion of a new product on the list for the least developed countries.⁹

In the case of textiles, the structure of the scheme for products covered by the Multi-fibre Arrangement has been drastically revised.¹⁰ Preferential amounts are no longer to be calculated on the beneficiary's performance, but on the volume of Community imports of a given category. The level is set at 0.2% of 1985 imports for some dominant and State-trading countries and at 1% for other beneficiaries, so appreciably increasing the preferential volumes for

¹ Bull. EC 9-1987, point 1.4.1 *et seq.*

² COM(87)549 final.

³ Bull. EC 6-1987, point 2.2.38.

⁴ OJ C 305, 16.11.1987; Bull. EC 10-1987, point 2.2.43.

⁵ Bull. EC 9-1987, point 2.4.43.

⁶ OJ L 350, 12.12.1987.

⁷ OJ L 367, 28.12.1987.

⁸ OJ L 198, 20.7.1987; Bull. EC 4-1987, point 2.1.49.

⁹ OJ L 256, 7.9.1987; Bull. EC 7/8-1987, point 2.1.80.

¹⁰ This reform was possible because the transposition of the nomenclature under the harmonized system was carried out in advance with an eye to the negotiations on the renewal of the MFA and the related bilateral agreements.

small and medium-scale exporters. By the same token, differentiation has been stepped up in respect of highly competitive exporters which have attained a certain level of development, namely those accounting for at least 10% on average of Community imports of a given category over the three years 1983-85.¹

These sweeping changes have been phased over two years in order to soften their impact and will not be fully applied until 1989.

The basis for calculating the offer for textiles subject to preferential limits (i.e. other than jute or copra) is set at 5% of 1985 imports of the category in question and at 1% for eight especially sensitive categories.

A new non-ACP beneficiary, Burma, has been added to the list of least developed countries.

Commodities and world agreements

Tropical timber

2.2.43. At its third meeting, held in Yokohama, Japan, from 16 to 20 November, the International Tropical Timber Council gave the go-ahead for a number of projects concerning market information, the forestry industry, reafforestation and the management of tropical forest resources.

The Council asked its Secretariat to draw up policy guidelines and also broached the question of the procedures for choosing projects. The issue will be discussed at the Council's next meeting, which will be in Brazil in May next year.

Jute

2.2.44. On 23 November the Council adopted a Decision³ on the conclusion of the 1982 International Agreement on Jute and Jute Products.⁴

Sugar

2.2.45. On 25 November the Commission sent to the Council a proposal for a Decision on the signing and conclusion of the International Sugar Agreement.⁵

Campaign against hunger in the world

Food aid

Reform of food aid policy and food aid management

2.2.46. On 20 November Parliament adopted an opinion⁶ on the proposal⁷ to amend the Regulation of 22 December 1986 on food aid policy and food aid management.⁸ Parliament made suggestions concerning the working of the Food Aid Committee designed to take account of the procedures laid down by the Council in July concerning the different types of committee.⁹

2.2.47. Following receipt of this opinion, the Commission sent the Council a revised version of its proposal, whereby the Food Aid Committee would give its opinion as an advisory committee and not as a management committee in the case of decisions

¹ Although China is one of the front-runners among the developing countries exporting textiles to the Community, because of its low GNP it has been accorded more flexible exclusion criteria based on product sensitivity so long as its relative share of Community imports lies between 10 and 15%. The Commission sent the Council modified proposals on this adjustment of the exclusion criteria in November (→ point 2.2.41).

² Bull. EC 4-1987, point 2.2.30.

³ OJ L 337, 27.11.1987.

⁴ OJ L 185, 8.7.1983; Bull. EC 9-1982, point 2.2.17; Bull. EC 1-1984, point 2.2.30.

⁵ Bull. EC 9-1987, point 2.2.30.

⁶ OJ C 345, 21.12.1987.

⁷ OJ C 309, 10.11.1987; Bull. EC 10-1987, point 2.2.46.

⁸ OJ L 370, 30.12.1986; Bull. EC 12-1986, point 2.2.3.

⁹ OJ L 197, 18.7.1987; Bull. EC 6-1987, points 2.4.11 to 2.4.14.

establishing the overall quantities to be supplied as food aid each year.

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2.2.48. On 30 November, with the endorsement of the Food Aid Committee, the Commission decided on the following food aid operations (Table 8).

Table 8 — *Food aid operations*

	Cereals	Milk powder	Butteroil	Sugar	Oil	Other
Angola (fad)	30 000	—	—	200	500	1 500 B
Grenada (cif)	480	150	—	—	—	—
Total	30 480	150	—	200	500	1 500 B

B: beans.

cif: cost, insurance, freight.

fad: free at destination.

Locust control in Africa

Morocco

2.2.49. Following an invasion of swarms of desert locusts in Morocco affecting an area of 100 000 ha, the Commission decided on 4 November to allocate emergency aid of 500 000 ECU. The aid will be channelled through the FAO and will be used to pay for pesticides, flying time and spraying equipment.

Emergency aid

Ethiopia

2.2.50. In response to the current drought in Ethiopia (affecting 6.5 million people and creating a requirement for 1.2 million tonnes of cereals in food aid) the Commission accorded on 18 November emergency aid of up to 5 million ECU for the victims. The aid will be channelled through various bodies (NGOs, the UN, the ICRC, the Relief and Rehabilitation Commission,

etc.) and will finance the following operations: an air lift, the purchase of spare parts and equipment, road transport, water tanks, medicines, tents, blankets and seeds. This aid is in addition to 5 million ECU granted under Article 203 of the Lomé Convention. Some areas are threatened with a new famine, which promises to be worse than that of 1984-85.

Self-sufficiency aid for refugee groups

2.2.51. On 19 November Parliament adopted a resolution on aid to Lebanon, with particular reference to relief for refugee camps (→ point 2.4.19).¹

2.2.52. On 17 November the Commission took decisions on financing the following projects:

Pakistan: 3 million ECU for reafforestation, extension work and vocational training in North-West Province; 1.8 million ECU for

¹ OJ C 345, 21.12.1987.

the manufacture of quilts, satchels and school uniforms in North-West Province;

Laos: 200 000 ECU to aid the reintegration of returnees.

A further 30 000 ECU was allocated for the evaluation and monitoring of the above projects.

Stabex

Transfers

2.2.53. On 25 November the Commission decided to make the following two Stabex transfers for the 1986 application year:

ECU

Country	Product	Amount
Benin	Oilcake	1 395 535
Central African Republic	Cotton	32 978

These transfer decisions are in addition to those taken on 6 July¹ and the transfer for Côte d'Ivoire (timber) approved on 29 July. The latter transfer totalled 44 954 653 ECU, 36 363 934 ECU of which served to enable the national authorities to meet their replenishment obligations.

This brings the total amount of Stabex transfers for 1986 to 278 451 554 ECU.

revenue, contributing 16% of GNP in recent years, and the leading export earner (62% of earnings). Total output from the two mines still in operation stands at some 15 million tonnes of ore a year. The Liberian Government believes that continuing mining operations is essential if the country's economy and finances are not to collapse. The aim of the project is to prolong mining activities until 2006 by mining the Bong Peak deposits.

Mining cooperation

Financial and technical cooperation

ACP States

ACP States

Sysmin

2.2.54. Under Lomé III's Sysmin instrument the Commission decided on 4 November to approve a transfer of 49.3 million ECU to Liberia for the overhaul and modernization of its iron ore industry. This industry is an important source of

2.2.55. In November the Commission allocated resources from the fifth and sixth EDFs totalling 93 703 000 ECU to finance projects, programmes and emergency aid operations which it administers (Table 9).

¹ Bull. EC 7/8-1987, point 2.2.53.

Table 9 — *Financing of operations under the fifth and sixth EDFs*

million ECU

Sector/country	Project	Amount	
		Grants	Loans
<i>Economic infrastructure</i>			
Senegal	Roads and bridges		0.950
<i>Rural production</i>			
Ghana	Agricultural water engineering	2.400	
Suriname	Fisheries	1.300	
Zimbabwe	Agriculture	3.000	
Mali	Support programme for food strategy	17.000	2.500
Uganda	Forest regeneration	8.500	
Tuvalu	Coastal protection	0.800	
<i>Industrialization</i>			
Liberia	Sysmin — overhaul of Bong Mining Co.		49.300
Madagascar	Soalala iron	1.983	
<i>Social development</i>			
Benin	Educational infrastructure	0.400	
<i>Emergency aid</i>			
Ethiopia	Famine relief	5.000	
Mauritania	Control of yellow fever epidemic	0.100	
Saint Vincent	Repair of damage caused by tropical storm	0.040	
Benin	Repair of flood damage	0.250	
Jamaica	Repair of damage caused by torrential rains	0.180	
	Total	40.953	52.750

Latin American and Asian developing countries

2.2.56. The Commission's proposal for a Decision determining the general guidelines for 1988 concerning financial and technical aid to Latin American and Asian developing countries was transmitted to the Council on 9 November.¹

2.2.57. On 24 November the Commission adopted, for transmission to the Council and Parliament, its tenth report² on the implementation of financial and technical assistance to the Latin American and Asian developing countries.³ The report covered aid given in 1986 and gave a summary of all previous operations.

2.2.58. On 30 November the Commission decided, following the approval given by the Committee on Aid to Developing Countries in Latin America and Asia at its meeting on 16 November, to finance the following projects under Article 930 of the budget:

Bangladesh: protection against cyclones — feasibility study and plans (total cost 1.9 million ECU, Community contribution 1.9 million ECU; autonomous project in cooperation with the International Development Association);

¹ OJ C 323, 3.12.1987; COM(87) 531 final.

² COM(87) 588 final.

³ Bull. EC 11-1986, point 2.2.46.

Guatemala: support for agrarian change in the Pacific region (Montellano and San Carlos Malaga) — total cost 6.9 million ECU, Community contribution 5.5 million ECU; autonomous project.

Regional cooperation

ACP States

2.2.59. On a visit to Mozambique, Mr Auclert, Deputy Director-General of the Commission's Directorate-General for Development, had meetings with President Chissano and the Ministers for Foreign Affairs, Cooperation and External Trade.

Mr Auclert first visited Beira and Nacala, where he was able to observe progress on two transport projects of importance in the SADCC¹ context. He then went on to Inhambane and Sabie-Incomati.

A memorandum of agreement concerning the implementation of Mozambique's indicative programme was signed, covering in particular:

(i) a second sectoral import programme worth some 34.5 million ECU, which will be decided on in the course of the coming year (an initial programme of 40 million ECU was approved in July);

(ii) three agri-rural projects (Inhambane, Sabie-Incomati and Cabo Delgado) which are being prepared — total cost 16 million ECU. It was agreed that the government would guarantee the security of the areas covered by the projects. The Community would make a financial contribution to the non-military expenditure of the security personnel (food, clothing, overheads, etc.).

Implementation of the agreed programme would bring the commitment rate (currently standing at 58%) up to 88% at the end of 1988 and 100% at the end of 1989.

Cooperation via non-governmental organizations

2.2.60. In the period 1 January to 30 November the Commission committed 56.2

million ECU for the cofinancing in developing countries of 417 projects presented by 140 NGOs.

The Commission also committed 5 695 824 ECU to 86 campaigns to increase European public awareness of development issues.

Institutions

ACP States

Meeting of ACP and EEC representatives of economic and social sectors under the auspices of the ACP-EEC Joint Assembly

2.2.61. Representatives of the economic and social sectors in the Community and the ACP States met for the eleventh time² on 26 and 27 November at the headquarters of the Economic and Social Committee in Brussels on the initiative of the ACP-EEC Joint Assembly. The general session was preceded by separate meetings of employers, workers, farmers and other categories.

The debate on 'The role of private investment in the ACP countries' highlighted the importance of private flows in supplementing public investment and providing a fresh source of financing in these countries. At the conclusion of the debate a resolution was adopted for transmission to the ACP-EEC institutions. It stressed the need for the active participation of ACP-EEC economic and social bodies in implementing cooperation in this area.

Stabex subcommittee

2.2.62. The Stabex subcommittee of the ACP-EEC Committee of Ambassadors met in Brussels on 6 November with Gabon's

¹ Southern Africa Development Coordination Conference.

² Bull. EC 12-1986, point 2.2.43.

ambassador as chairman. Various matters relating to Stabex were discussed by the ACP and Community representatives.

Visits

2.2.63. Sir Dawda Jawara, President of Gambia, paid an official visit to the Commission in his capacity as current President of the Gambia River Development Organization (OMVG). After a working meeting, which he co-chaired with Mr Natali, Vice-President of the Commission, President Jawara, accompanied by the Gambian Foreign and Water Resources Ministers, the Guinean Minister for Natural Resources — also coordinator of the Organization — and the High Commissioner of the Organization, had talks with Mr Delors.

The visit provided an opportunity for reviewing the OMVG's programme, which the Commission had supported by financing preparatory studies. In view of the questions still outstanding concerning the technical, economic and ecological aspects of the major works planned under the programme, the Commission reiterated its commitment to making the most effective contribution possible to improved water management operations. It underlined its willingness to examine with the OMVG the possibilities for action upstream, in the high-level catchment areas, with the particular aim of combating erosion.

EEC-Gambia cooperation was also discussed and a financing agreement for a project to support non-industrial fisheries in Gambia was signed.

2.2.64. An SADCC delegation, led by Dr Simbarashe Makoni, the organization's Executive Secretary, visited the Commission on 16 and 17 November and had a meeting with Mr Natali. One of the aims of the visit was to prepare the ground for the Annual Consultative Conference, to be held in Arusha, Tanzania, in January. The theme of the Conference will be 'SADCC: Development of infrastructure and enterprise'. The SADCC delegation met representatives of the Commission, the Member States, the

EIB and the Centre for the Development of Industry. The talks focused on the Community's aid to the SADCC and the current economic and political situation in southern Africa.

2.2.65. On 26 and 27 November Mr Natali paid an official visit to Gabon, where he attended the second EEC-Central Africa industrial forum in Libreville.

2.2.66. Ethiopia's Vice-President, Mr Fisseha Desta, visited the Commission on 5 November at the head of a large delegation of ministers. He had talks with Mr Delors and Mr Natali on his country's political and economic situation, and on development cooperation between the Community and Ethiopia.

International organizations and conferences

United Nations

General Assembly

2.2.67. The 42nd session of the UN General Assembly continued during November.¹ The Community and its Member States made statements on Namibia, UNWRA, international cooperation in the peaceful uses of outer space, disarmament and the relationship between disarmament and development, drugs, the situation in Afghanistan, apartheid, Israeli practices affecting the human rights of the population of the occupied territories, information, and the UNHCR. Several resolutions concerning South Africa and Namibia were adopted.

In the economic and financial sphere, the Community and its Member States made statements on science and technology for development, the mobilization of women in development and trade and development,

¹ Bull. EC 9-1987, point 2.2.44.

with reference notably to the outcome of Unctad VII.¹ Resolutions on the debt question and on Africa were the subject of intense negotiations, which are expected to continue until early December.

Economic and Social Council

Economic Commission for Europe

2.2.68. At its special session on 9 and 10 November, the Economic Commission for Europe approved the supplementary report presented by the *ad hoc* committee for the review of the structure and functions of the ECE² and decided to forward it to the special commission established by Ecosoc to carry out an in-depth study of the inter-governmental structure and functions of the United Nations in the economic and social fields. The ECE also adopted a decision on the implementation of the proposals for action contained in the supplementary report.

Convention on the Law of the Sea

2.2.69. On 23 November³ the Commission forwarded to the Council a communication concerning deposit by the Member States of the instruments of ratification of the Convention of the Law of the Sea (which is the first United Nations instrument to contain an 'EEC clause' permitting the accession of international organizations to which their Member States have transferred competence over matters governed by the Convention).⁴ The purpose of the communication is to remind the Member States that the deposit of their instruments of ratification without the simultaneous deposit by the Community of its own instruments of ratification would be an infringement of Community law.

General Agreement on Tariffs and Trade

Fortieth anniversary of GATT

2.2.70. On 30 November GATT celebrated in Geneva its fortieth anniversary.

Mr De Clercq, Member of the Commission with special responsibility for trade policy, used the occasion to take stock of relations between the Community and GATT, to review the current state of progress of the Uruguay Round, and to present new Community proposals on services and the protection of intellectual property.

Committee on Government Procurement

2.2.71. On 16 November the Council adopted a Decision⁵ concerning the conclusion on behalf of the Community of the Protocol amending the GATT Agreement on Government Procurement.⁶

Conference on Security and Cooperation in Europe

2.2.72. The Conference on Security and Cooperation in Europe (CSCE) continued in October and November⁷ to work on the drafting of the Vienna concluding document. The original intention was to produce this document in December. This has now become impossible and the CSCE will therefore have to resume negotiations in January. In the field of economic cooperation (basket II), an initial round of drafting covered the environment, trade and industrial cooperation sectors. The Community, together with the Nordic countries and Austria, is pressing the commitments on European cooperation in the environment field. With regard to trade and industrial cooperation, the Community is insistent that there must be greater transparency in overall economic data and a progressive reduction of counter-trade, which is still widely used by the Soviet Union and the Eastern European countries.

¹ Bull. EC 7/8-1987, point 2.2.38.

² Bull. EC 4-1987, point 2.2.44.

³ COM(87) 403 final.

⁴ Bull. EC 12-1984, points 2.2.57 and 3.4.1.

⁵ OJ L 345, 9.12.1987.

⁶ Bull. EC 7/8-1987, point 2.2.65.

⁷ Bull. EC 9-1987, point 2.2.47.

The Community feels that only on this basis can trade with Eastern Europe develop.

*

2.2.73. The second session of the Unido General Conference was held in Bangkok from 9 to 13 November (→ point 2.2.38).

2.2.74. The Community took part in the second session of the World Food Programme's Committee on Food Aid Policies and Programmes (→ point 2.2.40).

2.2.75. The 24th session of the FAO Conference was held in Rome from 7 to 26 November (→ point 2.2.39).

3. Financing Community activities

Budgets

Reform of the Community budget

2.3.1. Parliament adopted opinions on the proposal for a Decision on the system of the Communities' own resources and on the second amendment to the proposal for amending the Financial Regulation of 21 December 1977 applicable to the budget of the European Communities(→ points 1.1.4 to 1.1.6).

2.3.2. On 18 November Parliament adopted a resolution on the future financing of the Community (→ point 1.1.3).¹

2.3.3. The Economic and Social Committee adopted an own-initiative opinion on the financing of the Community (→ point 1.1.7).

2.3.4. On 12 November the Commission sent the Council a proposal for a Decision on the correction of Budgetary imbalances(→ point 2.4.8).

General budget

Implementation of the 1987 budget

2.3.5. On 16 November Parliament's Committee on Budgets adopted the Com-

mission's proposal for a multiple transfer of appropriations relating to Section III (Commission) of the 1987 budget.² The transfers will eliminate the negative reserves in the budget and provide extra appropriations in certain sensitive sectors such as the ERDF, the EAGGF Guidance Section and energy.

Budgetary discharge

1986

2.3.6. In accordance with Article 84 of the Financial Regulation of 21 December 1977,³ the Court of Auditors on 30 November sent the discharge authorities and the other institutions its annual report on the implementation of the general budget of the European Communities for 1986 and operations under the European Development Funds.⁴ The Commission's replies to the observations made by the Court of Auditors had been sent to the Court on 28 October.⁵

¹ OJ C 345, 21.12.1987.

² Bull. EC 10-1987, point 2.3.4.

³ OJ C 356, 31.12.1977.

⁴ OJ C 336, 15.12.1987.

⁵ Bull. EC 10-1987, point 2.3.6.

ECSC operating budget

2.3.7. On 20 November Parliament passed a resolution¹ on the Commission's *aide-mémoire*² on the fixing of the ECSC levy rate and the drawing-up of the ECSC operating budget for 1988 (→ point 2.4.18).

Financial operations

ECSC

Loans raised

2.3.8. During November the Commission made a number of private placings in US dollars, French francs, lire and marks for the equivalent of 42.8 million ECU.

Loans paid out

2.3.9. The Commission published a notice setting out the principles which will henceforth govern the award of loans under the second paragraph of Article 54 of the ECSC Treaty for investment aimed at promoting the consumption of Community steel.³ These loans will be granted providing that the necessary funds have been raised.

2.3.10. Acting under Articles 54 and 56 of the ECSC Treaty, the Commission made the following loans in November, totalling 37.19 million ECU:

Industrial loans

2.3.11. Industrial loans (Article 54) totalling 19.39 million ECU were granted for the Italian steel industry and to promote the consumption of coal in Germany.

Conversion loans

2.3.12. Conversion loans (Article 56) totalling 16.28 million ECU were granted to Italy.

Workers' housing

2.3.13. Housing loans totalling 1.52 million ECU were granted for steelworkers and mineworkers in Germany, France, Belgium, Italy and the United Kingdom.

EEC-NCI

2.3.14. During November the Commission made a 75 million ECU six-year public issue at 7 5/8% with an issue price of 97.25% and a private placing for the equivalent of 12.1 million ECU.

¹ OJ C 345, 21.12.1987.

² Bull. EC 7/8-1987, point 2.3.7.

³ OJ C 291, 31.10.1987.

4. Political and institutional matters

European political cooperation

2.4.1. On 13 November the Presidency issued the following statement by the Twelve on the attack by the Eritrean People's Liberation Front on a United Nations convoy in Ethiopia:

'The Twelve deplore the attack on and destruction of a convoy of 23 lorries, which were travelling under the protection of the UN on 23 October. They were carrying 540 tonnes of cereals destined for the population of northern Ethiopia. This convoy did not represent a military target and was travelling without armed escort.

The Twelve condemn such acts, which affect, in the first place, those victims of the famine who were to receive the aid.

The Twelve wish to continue their humanitarian activities designed to help those affected by the drought in Ethiopia and hope that no obstacle will be put in the way of the transportation of food aid.'

2.4.2. On 23 November the Foreign Ministers held a political cooperation meeting in Brussels during which they adopted declarations on South Africa's intervention in Angola, Central America and the situation in Haiti.

Declaration on South Africa's intervention in Angola

'The Foreign Ministers of the 12 Member States of the European Community discussed developments in southern Angola. They noted with deep concern South Africa's armed incursions and, in connection herewith, visits to the South African troops inside Angola by President Botha and other prominent South African Government figures. Such provocative action can only aggravate the situation in southern Africa and impede the development of a regional dialogue.

In addition to seriously violating international law and the sovereignty and territorial integrity of Angola, South Africa's armed incursions violate the specific commitment of non-intervention that South Africa made in Lusaka in February 1984.

The Twelve vigorously condemn South African military activities in Angola and repeat their previous demands that the South African Government

do its utmost to establish peace and security in the region. The Twelve appeal to the South African Government to cease hostilities immediately and to withdraw all its troops from Angola.'

Declaration on Central America

'The Twelve, in the light of their declaration of 13 August 1987 welcoming the peace plan adopted by the Presidents of Central America in Guatemala on 7 August 1987, and wishing to see the plan implemented as soon as possible, are following closely the efforts made to this end by the countries of the region supported by the Contadora and support groups.

The Twelve consider that, three months after the adoption of the Guatemala peace plan, there are grounds for some optimism. Despite the difficulties and obstacles which remain to be overcome, the Twelve welcome and have been encouraged by the measures taken so far in fulfilment of the agreement and urge the Central American countries to pursue their efforts to carry the peace process forward.

The Twelve express their firm support and encouragement to the International Committee on Verification and Monitoring.

They call on all the parties in the region to contribute positively to the fulfilment of the aspirations of the Central American peoples for peace, democracy, independence, self-determination, social and economic development, as well as respect for human rights. They condemn all acts of violence which put the peace process in jeopardy.

The Twelve urge the international community and, in particular, those countries with links to and interests in Central America to contribute to the region's efforts to achieve peace, democracy, and economic development.

They hope that their next ministerial meeting with the countries of Central America and the Contadora Group, scheduled for February 1988 in Hamburg, will take place against the background of peace and democracy in Central America. This will allow the dialogue to better address the urgently needed economic development of Central America.'

Declaration on the situation in Haiti

'In the context of the elections due to take place in Haiti, the Twelve express their support for the process of re-establishing democracy in that country. After years of dictatorship and against

the background of the difficulties they are still experiencing as a result of the very serious economic situation, the Haitian people are hoping to recover the freedom to express their wishes. The Twelve call upon all the parties concerned to unite their efforts to overcome the obstacles inherited from the past and thus permit the forthcoming elections to take place in a calm and orderly fashion.'

2.4.3. On 27 November the Presidency sent the following message from the Twelve to the summit meeting of the Heads of State of eight Latin American countries:

'The 12 Member States of the European Community welcome the holding, on 27 and 28 November in Acapulco, of a summit meeting of the Heads of State of eight Latin American countries.

They wish on this occasion to pay tribute to the efforts made by these countries in the Contadora process, supported since its inception by the Twelve, to achieve a negotiated settlement in Central America.

The Twelve, linked to these countries by so many cultural affinities and historical links, express the hope that this first summit meeting of eight democratic countries of Latin America will open up new paths for regional consultation such as to promote the progress of peace and liberty throughout the continent.

Following the dialogue already begun with the Group of Eight at the level of Ministers for Foreign Affairs, the Twelve reiterate their wish to strengthen their relations with those countries in Latin America which, like the Eight, share their democratic principles.'

2.4.4. At its November part-session Parliament adopted a number of resolutions on political cooperation and the protection of human rights (→ point 2.4.19).¹

European policy and relations between the institutions

European policy

Implementing the Single Act

2.4.5. On 23 and 24 November the Council continued its preparation of the

European Council's deliberations on 4 and 5 December concerning the various aspects of implementing the Single Act: strengthening of budgetary discipline, reform of the structural Funds, adjustment of the own resources system and budgetary imbalances.² The Council was also briefed on progress by the Agriculture Ministers on the introduction of agricultural stabilizers designed to ensure effective compliance with budgetary discipline in the agricultural sector (→ point 2.1.173).

Concluding the debate the Presidency indicated that it would endeavour over the next few days to work out an overall compromise, in the light of the Council's discussions, on all the items involved, except for certain questions reserved for the European Council: the amount of own resources, the budget for the structural Funds and the question of budgetary imbalances. The Council met again in 'conclave' on 29 and 30 November to complete its preparation of the decisions to be taken by the European Council in Copenhagen.

2.4.6. On 18 November, following a wide-ranging debate on the 'Delors package' designed to produce a coherent position and a clear message for the European Council in December, Parliament adopted¹ a resolution on the future financing of the Community together with a draft joint declaration by the Council, Parliament and the Commission on budgetary discipline and on improving the budgetary procedure, an opinion on a proposal for a Council Decision on the system of the Communities' own resources³ and an opinion on the second amendment of the proposal for a Council Regulation amending the Financial Regulation of 21 December 1977 applicable to the budget.⁴

On 19 November it also adopted an opinion¹ on the proposal for a Council Regulation on the tasks of the structural Funds

¹ OJ C 345, 21.12.1987.

² Bull. EC 7/8-1987, points 1.1.1 *et seq.*

³ OJ C 241, 8.9.1987; Bull. EC 7/8-1987, point 1.1.4.

⁴ OJ C 278, 16.10.1987; Bull. EC 7/8-1987, point 1.1.10.

and their effectiveness and on coordination of their activities between themselves and with the operations of the European Investment Bank and the other financial instruments¹ and a resolution on the application of agricultural stabilizers² (→ point 1.1.1 *et seq.*).

2.4.7. Also wishing to make its voice heard at the Copenhagen European Council, the Economic and Social Committee adopted four own-initiative opinions on the reform of the structural Funds,¹ the financing of the Community,³ the various Commission proposals on agriculture with a view to implementation of the Single Act³ and the social aspects of the internal market (European social area) (→ point 1.1.1 *et seq.*). The opinion on the economic situation, albeit a routine one, was issued with the same intention (→ point 2.4.35).

2.4.8. On 11 November the Commission sent the Council a proposal for a Decision on the correction of budgetary imbalances in the Community.⁴

This proposal is closely linked to the detailed proposals transmitted to the Council and Parliament⁵ as a follow-up to the communication entitled 'The Single Act: A new frontier for Europe', which was presented in February.⁶ It should be looked at in conjunction with the proposal on the new own-resources decision⁷ given that the scale of the budgetary imbalances, and therefore the need to correct them, depends largely on the way in which the Community budget is financed. Since the United Kingdom's budgetary imbalance persists and is due primarily to the relatively small amount of Community spending on agriculture in the United Kingdom, the Commission is proposing a specific correction mechanism based on expenditure under the EAGGF Guarantee Section. The correction will be financed according to a scale geared to the relative prosperity of the Member States, a criterion explicitly recognized by the Fontainebleau European Council.⁸ In view of their level of prosperity, it is proposed that Greece, Spain, Ireland and Portugal be exempted completely. However, in

view of the size of Germany's contribution and the limited benefit it derives from the policies conducted under the structural Funds, it is proposed that its share as calculated above be reduced by 75% and that this amount be made up by the other six Member States.

2.4.9. Finally, the Commission approved the conclusions to be put to the Council on the effects of the price stabilizing mechanism for oils and fats (→ point 2.1.183).

Institutions and organs of the Communities

Parliament⁹

Strasbourg: 16 to 20 November

2.4.10. Parliament's November part-session was largely dominated by the forthcoming European Council meeting on 4 and 5 December in Copenhagen, where the main topic was to be the future financing of the Community. A wide-ranging debate on the subject was held, from which a consensus emerged in favour of the Commission's approach.

¹ OJ C 245, 12.9.1987; Bull. EC 7/8-1987, point 1.1.2.

² Bull. EC 7/8-1987, points 1.1.11 to 1.1.15; Bull. EC 9-1987, point 1.5.1.

³ Bull. EC 7/8-1987, points 1.1.1 to 1.1.10.

⁴ OJ C 346, 22.12.1987; COM(87) 600 final.

⁵ Bull. EC 7/8-1987, point 1.1.1 *et seq.*

⁶ Supplement 1/87 — Bull. EC; Bull. EC 2-1987, point 1.1.1 *et seq.*

⁷ OJ C 241, 8.9.1987; Bull. EC 7/8-1987, point 1.1.4.

⁸ Bull. EC 6-1984, point 1.1.1 *et seq.*

⁹ The complete texts of the resolutions adopted by Parliament appear in OJ C 345, 21.12.1987, and the reports of the proceedings are contained in OJ Annex 2-358. The political groups and countries of origin of members speaking in the debates are shown in brackets after their names. The key to the abbreviations can be found in Bull. EC 2-1987, point 2.4.7 (footnote 2) and Bull. EC 10-1987, point 2.4.7 (footnote 4). The Group for Technical Coordination and Defence of Independent Groups and Members, formed in September (see Bull. EC 9-1987, point 2.4.9 (footnote 4)), has ceased to exist following the withdrawal of Mr Anselmo Guaracci (S/I).

Other debates included the pressing problem of agricultural stocks and the priority objectives proposed by the Commission for the structural Funds after their reform, for which there was approval from speakers of all the political groups. The House also approved the principle of agricultural stabilizers, though there was some criticism of the arrangements for their application. Air transport was another subject that was discussed, and members also voiced considerable disenchantment with the economic guidelines for 1987-88.

Giving effect to the Single Act

Future financing of the Community

2.4.11. After opening statements on the Commission's proposals for the future financing of the Community by the rapporteurs (Mr Enrique Barón Crespo (S/E), general rapporteur, Mr Horst Langes (PPE/D) on own resources, Mr Peter Price (ED/UK) on the Financial Regulation, Mr Piet Dankert (S/NL) on budgetary discipline, Mrs Carla Barbarella (COM/I) on the structural Funds, and Mrs Christine Scrivener (LDR/F) on agricultural expenditure), the Chairman of the Committee on Budgets, Mr Jean-Pierre Cot (S/F) expressed his overall support for the 'Delors package', which formed an indivisible whole. However, Parliament drew up its own draft on budgetary discipline, designed to safeguard its rights.

The President of the Commission, Mr Jacques Delors, welcomed Parliament's political support for the general thrust of the Commission's proposals (→ point 1.1.1 *et seq.*).

The President of the Council, Mr Uffe Ellemann-Jensen, added that there had to be a change of attitude. He stressed the need for Europe to solve its own minor problems at a time when the two superpowers were negotiating on arms reductions. The Member States had to show the political will to obtain positive results.

No irreconcilable differences emerged in the ensuing debate, and the general tone

throughout was in favour of adopting the reports. Mr Joan Colom i Naval (S/E) emphasized the need for an interinstitutional agreement on budgetary discipline and made the point that the structural Funds should not be regarded as a *quid pro quo* for the less prosperous countries in return for completion of the large internal market, but that they had a strategic part to play on the road to European union. All the political groups except the European Democratic Alliance supported the three reports under discussion, and though some reservations were expressed they were not regarded as serious by the President of the Commission.

Doubling the structural Funds must be conditional on their being effective, insisted Mr Petrus Cornelissen (PPE/NL), while Mr Christopher Prout (ED/UK) stressed that the choice was between Europe in the 1990s catching up with the superpowers or being content to go into decline. Mr Pancrazio de Pasquale (COM/I) spoke of the need to guarantee the Community's financial autonomy through new own resources. There was support from all the speakers for budgetary discipline and the doubling of the structural Funds. Mrs Christine Scrivener did not regard the introduction of budgetary stabilizers as a miracle cure, arguing that their effectiveness would depend on how they were applied. Mr Jean-Claude Pasty (ADE/F) believed that the large integrated market would not become a reality by 1992 unless the current financial strait-jacket were loosened and agreed with Mr Horst Langes that a dynamic own-resources system should be established, based on the relative prosperity of the Member States. He also held that people would not feel involved until a clearly identifiable Community tax were introduced. Mr Pasty did not want to see the common agricultural policy throttled—simply as a scapegoat—since it, too, contributed towards Community cohesion.

Mr Gilbert Devèze (DR/F)—like Mr Jean-Marie Vanlerenberghe (PPE/F), Mr Eisso Woltjer (S/NL) and Mr Hubert Buchou (ADE/F)—also came to the defence of agri-

culture, condemning the philosophy behind the Barón Crespo report. Robert Chambeiron (COM/F) protested at the reduction in the British contribution, which, he said, was pumping the Community coffers dry and provided Britain with a means of blackmail at every negotiation. He also dismissed agricultural stabilizers, which he saw as a way of freezing farm spending and a prelude to the removal of land from production and the extinction of farmers.

Mr Henning Christopherson, Vice-President of the Commission with special responsibility for the budget and financial control, tried to reassure those members who were worried about the future of the common agricultural policy.

Mr François Musso (F), followed by Mr Guy Guermeur (F), on behalf of the European Democratic Alliance, spoke against the Barón Crespo report. Their group could not accept the proposals on agricultural stabilizers because, in their view, they were incompatible with the Treaties and took no account of farmers' incomes but only of budgetary factors.

After approving the Barón Crespo report on the future financing of the Community, the House adopted the report by Mr Horst Langes on the proposal for a Decision on the Communities' system of own resources by 288 votes to 32, with 8 abstentions. The Pierce report on amendment of the Financial Regulation was adopted by 247 votes to 44, with 20 abstentions.

Reform of the structural Funds

2.4.12. Another topic of debates was reform of the structural Funds. All the speakers supported the Commission's proposal to concentrate the Funds' operations on five priority objectives: the levelling-up of backward areas, conversion of declining industrial regions, combating long-term unemployment and helping young people to find work, adjustment of farm structures and the development of rural areas. Speaker after speaker stressed the need for an integrated approach, multiannual programmes,

the involvement of local authorities and strict monitoring of operations. Mr José Mariá Alvarez de Eulate Peñaranda (ED/E), like Mrs Anne André (LDR/B) and Mr Fernando Gomes (S/P) highlighted the need for national and Community operations to complement each other. Mrs Colette Gadioux (S/F) called for the inclusion of island regions under the priority objective of helping backward regions to catch up. Mr Mario Didò (S/I) and Mr Andrea Raggio (COM/I) pressed for implementation of the economic cooperation strategy. Mr Manuel dos Santos Machado (PPE/P) felt that the framework programme put forward by the Commission was inadequate and that the ranking of the five priority objectives for structural Fund operations was not clear enough, while Mr Natalino Gatti (COM/I) called for a greater contribution by the EAGGF to the backward regions. The House adopted the report by Mr Fernando Gomes on reform of the structural Funds, with 244 votes in favour and 19 abstentions.

Agricultural stabilizers

2.4.13. Parliament approved the principle of agricultural stabilizers, which, besides being dealt with in the Barón Crespo report, were also the subject of a report by Mr Juan Colino Salamanca (S/E). Mr Frans Andriessen, Vice-President of the Commission with special responsibility for agriculture and forestry, countered the claim that stabilizers were being proposed on purely budgetary grounds, arguing that they were based primarily on economic considerations and formed part of an overall policy to improve the situation of Community farming.

A number of members expressed fears for the future of Community agriculture. Mrs Sylvie Le Roux (COM/F) and Mr Reinhold Bocklet (PPE/D) doubted the wisdom of the proposed measures since they would cause a drop in farmers' incomes. Mr Christopher Jackson (ED/UK) urged that farmers must not be penalized for events outside their control, and Mr Vasco Garcia (LDR/P) feared that Portugal might be faced with

unforeseen difficulties. Mr Jean Mouchel (ADE/F) advocated control of output and the development of products in which the Community is not self-sufficient, while Mr Wilfried Telkämper (ARC/D) spoke in defence of small farmers, arguing for charges to be imposed only on the large producers.

The Colino Salamanca report was adopted, with substantial amendments, by 178 votes to 57, with 7 abstentions.

2.4.14. Parliament gave its opinion on a number of Commission proposals and adopted two resolutions (→ point 1.1.1 *et seq.*) on:

- (i) a Decision on the system of the Communities' own resources;
- (ii) the second amendment to the proposal for a Regulation amending the Financial Regulation of 21 December 1977 applicable to the general budget of the Communities;
- (iii) the future financing of the Community;
- (iv) a Regulation on the tasks of the structural Funds and their effectiveness and on coordination of their activities between themselves and with the operation of the European Investment Bank and the other financial instruments;
- (v) the application of agricultural stabilizers.

2.4.15. Parliament adopted legislative resolutions giving its opinion (first reading) on the following Commission proposals:

- (i) a Directive amending the Directive of 28 March 1983 laying down a procedure for the provision of information in the field of technical standards and regulations (→ point 2.1.17);
- (ii) a Directive laying down a procedure for the provision of information in the field of technical standards and regulations applying to agricultural products (→ point 2.1.19);
- (iii) a Directive on the official inspection of foodstuffs (→ point 2.1.26);

(iv) revision of the multiannual research and development programme in the fields of basic technological research and the application of new technologies (Brite) (1985-88) (→ point 2.1.58);

(v) a Regulation on the European strategic programme for research and development in information technology (Esprit) (→ point 2.1.69);

(vi) a Directive on the obligations of branches established in a Member State by credit institutions and financial institutions having their head offices outside that Member State regarding the publication of accounting documents (→ point 2.1.105);

(vii) an eleventh Directive based on Article 54(3) (g) of the Treaty concerning disclosure requirements in respect of branches opened in a Member State by certain types of companies governed by the law of another State (→ point 2.1.109);

(viii) a fourth Directive on summer time arrangements (→ point 2.1.252).

2.4.16. Parliament adopted positions on the common position of the Council on the following Commission proposals:

- (i) a Decision relating to a research and development programme in the field of science and technology for development (1987-91) (→ point 2.1.64);
- (ii) a Regulation on a Community programme in the field of telecommunications technologies — R&D in advanced communications technologies in Europe (RACE programme) (→ point 2.1.67);
- (iii) a Directive on the approximation of the laws of the Member States relating to measures to be taken against the emission of gaseous pollutants from diesel engines for use in vehicles (→ point 2.1.55);
- (iv) a Directive amending the Directive of 20 March 1970 on the approximation of the laws of the Member States relating to measures to be taken against air pollution by gases from the engines of motor vehicles (passenger vehicles) (→ point 2.1.156).

2.4.17. Parliament gave opinions on the following Commission proposals:

(i) a Decision adopting the annual report on the economic situation in the Community and laying down economic policy guidelines for 1988 (→ point 2.1.3);

(ii) a Decision adopting an action programme for the training and preparation of young people for adult and working life (→ point 2.1.121);

(iii) a Decision establishing a five-year Community-wide programme of projects illustrating how actions in the environmental field can also contribute to employment creation (→ point 2.1.151);

(iv) a package of measures in the field of civil aviation, comprising:

a Directive on fares for scheduled air services between Member States;

a Decision on the sharing of passenger capacity between air carriers on scheduled air services between Member States and on access for air carriers to scheduled air service routes between Member States;

a Regulation laying down the procedure for application of the rules on competition to undertakings in the air transport sector;

a Regulation on the application of Article 85(3) of the Treaty to certain categories of agreements and concerted practices in the air transport sector (→ point 2.1.249);

(v) a Decision on the allocation of 60 million ECU for the implementation of a special programme to aid certain highly indebted low-income African countries (→ point 2.2.37);

(vi) a Regulation amending the Regulation of 22 December 1986 on food aid policy and food aid management (→ point 2.2.46).

2.4.18. Resolutions were passed on the following subjects:

The wider use of the ECU and the simplification of payment transactions within the Community. Parliament pointed out that facilitating payment operations, the cost for which is at present excessive, by the systematic use of the ECU would help to promote European awareness among the Com-

munity's 320 million inhabitants. It urged the Commission and the Council to seek ways of establishing a legal link between the private and official use of the ECU. It expressed its appreciation of the Commission's efforts and called on the other Community institutions to use the ECU for all their operations. It also made some further suggestions for extending the use of the ECU.

The situation of the steel industry. Parliament reiterated its call for the restructuring of the steel industry, coupled with social and regional measures. It took the view that the Community quota system had to be maintained for three or four years. It also called for rapid action against import dumping and for effective monitoring of existing supply agreements, for steps to prevent a new escalation of subsidies and to avoid distortion of competition, and for the resources needed to finance regional and social support programmes to be made available at once. It approved the Commission's proposal to include Spain and Portugal in the crisis plan and called on the Commission to reassess the general objectives for steel for 1990.

The European dimension in schools. Parliament protested at the Council's postponement of measures to remedy the lack of emphasis on education about the Community in school syllabuses. A number of suggestions were made covering language teaching, teacher training, teaching material, the introduction of schemes for schools similar to those envisaged under the Erasmus and Yes for Europe programmes, promotion of the European anthem, the establishment of prizes for the best papers and theses on European integration and the creation of chairs for European studies at universities, which could be held by academics from other Member States.

Regional problems and migratory movements. In the light of an analysis of migratory movements over the past 25 years and the likely repercussions of a resumption of such movements, Parliament proposed a series of general, social development and

support measures designed to strengthen economic and social cohesion in the Community.

The storms which have again hit Brittany and Normandy. Recalling its joint resolution of 29 October¹ on the storms which struck on 16 October and noting the increased damage resulting from the renewed storms, Parliament called on the Commission to inform it of the action taken on its request for financial solidarity measures for the areas affected and to adjust its compensation schemes.

Torrential rains in Tuscany and Latium. Alarmed by the damage caused in these areas by the torrential rains of October, the House called on the Commission to provide the local authorities with every possible assistance.

Damage caused by widespread flooding in the Spanish provinces of Valencia, Alicante and Murcia. Following the floods which brought loss of life and material damage amounting to 1 000 million ECU, Parliament expressed its sympathy with the families of the dead and shared the pain and suffering of the injured. It called for urgent action by the Commission and Council to alleviate, where possible, the material loss and to comfort the victims' families and requested them to help meet the pressing need for infrastructure investment to forestall future disasters of this kind.

The work of the Committee of Inquiry into Agricultural Stocks. Parliament supported the conclusions of the Debatisse report and called on the Commission and Council to study them with a view to submitting proposals for practical measures.

Commission aide-mémoire on the fixing of the ECSC levy rate and the drawing-up of the ECSC operating budget for 1988. Parliament made an interim assessment of its endeavours to improve the ECSC budget, regretting that the Commission had still not met all its demands. It called on the Commission and the Court of Auditors to submit practical proposals for the restructuring of the operating budget and upheld

its demand that revenue from customs duties on ECSC products should be allocated directly and exclusively to the ECSC until the ECSC and EEC budgets were integrated. It also criticized the Commission's investment policy and called on the Commission to incorporate the amendments which it proposed to the draft ECSC operating budget for 1988 and to fix the levy rate for the year at 0.31%.

2.4.19. In the field of political cooperation and human rights, Parliament passed resolutions on the following subjects:

The Reagan-Gorbachev summit. Parliament firmly believed that the bilateral meeting in December between the President of the United States and the General Secretary of the Communist Party of the Soviet Union to sign an agreement removing all American and Soviet land-based missiles with a range of 500 to 5 500 km constituted progress on the road to peace. The House reaffirmed that the East-West balance must be viewed as the necessary foundation for security policy. It demanded that the Heads of State or Government of the Twelve give their strongest support to the talks and called on the Foreign Ministers meeting in political cooperation to be more active and determined in their pursuit of a European security policy and the consolidation of peace.

The terrorist outrage in Enniskillen. Parliament was appalled by the terrorist massacre of civilians attending a ceremony at Enniskillen in Northern Ireland in remembrance of the fallen of the two World Wars — an outrage in which 11 people were killed and 63 injured — and offered its profound sympathy to the bereaved families. It condemned all those responsible for the crime, rejecting the hypocritical excuses put forward by IRA and Sinn Féin spokesmen, and reaffirmed its support for efforts to achieve a lasting resolution of the divisions between the communities.

The arbitrary arrests in Turkey on 16 November 1987. Parliament demanded the

¹ OJ C 318, 30.11.1987; Bull. EC 10-1987, point 2.4.20.

immediate release of Mr Nihat Sargin and Mr Haydar Kutlu, the Secretaries-General of the Turkish Workers' Party and the Turkish Communist Party, who had been arrested on their return to the country. It called on the Foreign Ministers meeting in political cooperation to make urgent representations to the Turkish Government, which is linked with the Community through an Association Agreement.

Aid to the Lebanese people and, in particular, humanitarian assistance to refugee camps in Lebanon. Noting the appalling living conditions of refugees in the Bourjel-Barajneh and Chatila camps, which had suffered large-scale destruction and were under the control of the Syrian peace-keeping force, Parliament asked the Commission to examine the feasibility of a special Community emergency programme and to release resources to the non-governmental organizations seeking to provide humanitarian aid for the refugees. It called on the Syrian authorities to allow into the camps the material needed for their reconstruction and urged all parties in power in Lebanon to respect the lives and property of refugees and to support humanitarian assistance.

The detention and maltreatment of children in South Africa. Parliament expressed its horror at the testimonies given by young South Africans at the International Conference of Children, Repression and the Law in Apartheid South Africa, held in Harare, Zimbabwe, from 24 to 27 September. It endorsed the conclusions of the Declaration of the Conference and called for the release before Christmas of all detainees aged 16 or under and all other minors not charged with or convicted of a criminal offence.

Detention of a French journalist in Afghanistan. Parliament expressed its great concern at the arrest of Mr Alain Guillo while exercising his profession and guaranteeing the right of the public to be informed and at his subsequent fate and called for his immediate release. It requested the Foreign Ministers meeting in political cooperation to contact the Soviet and

Afghan authorities to raise the case as a matter of urgency.

Situation in Chile. Parliament noted that the Chilean police had made 275 arrests on 31 October, that the Belgian Secretary of the Belgian-Chilean Chamber of Commerce in Santiago had been arrested on 22 October together with her Chilean husband and father-in-law, and that a group of trade union leaders had been arrested on 8 October but subsequently released, with the exception of Fanny Pollarolo, a psychiatrist. Parliament condemned these detentions and demanded the immediate release of all political prisoners held in Chilean prisons without trial for their political or trade union activities. It also condemned the continuing violation of human rights in Chile and insisted on the immediate release of the journalist Monica Gonzales. The House reiterated its support for the campaign for free elections and called for emergency aid to facilitate the task of registering the people of Chile on the electoral roll.

Violation of human rights in Malaysia. Parliament called on the Government of Malaysia to put all those arrested under the Internal Security Act on open trial so that their cases could be examined in accordance with the Universal Declaration of Human Rights, or to release them without delay. It instructed its Asean delegation to raise the matter at its forthcoming meeting with the Asean interparliamentary delegation and asked the Foreign Ministers meeting in political cooperation and the Commission to use their influence with the Malaysian Government to uphold the freedom of the press and find a democratic solution to the existing tensions.

Council

2.4.20. The Council held seven meetings in November. The following table lists the number, place and date of each meeting, the names of the Council President and Commission representatives and the main items of business. A more detailed account of specific items can be found in the sections of the Bulletin referred to in the footnotes.

Table 10 — *Council meetings in November 1987*

Number, place and date of meeting	Subject	President	Commission	Main items of business
Special meeting Brussels 8 November	General affairs	Mr Tygesen	Mr Clinton Davis	Maximum permitted radioactivity levels for foodstuffs: statement ¹
1197th Brussels 9 November	Development cooperation	Mr Haakonsen	Mr Natali Mr Cheysson	Economic situation of sub-Saharan African States and current structural adjustment: exchange of views ² Special Community programme to aid certain highly indebted low-income countries in sub-Saharan Africa: agreement ² Food situation in Ethiopia Environment and development: resolution ² Financial and technical aid for Latin American and Asian developing countries: preliminary exchange of views ² Women in development: conclusions ² Evaluation of development cooperation ² Community programme to combat AIDS in developing countries ²
1198th Brussels 13 November	Energy	Mr Hovmand	Mr Mosar	Oil market situation: exchange of views Developing exploitation of renewable energy sources in the Community: common position ³ Promoting market penetration of renewable forms of energy Improving efficiency of electricity use: conclusions ³ Information on energy efficiency of buildings: conclusions ³ Refining industry and cost of protecting environment ³ Energy aspects of ethanol
1199th Brussels 16 November	Economic and financial affairs	Mr Simonsen	Mr Delors Lord Cockfield Mr Schmidhuber	Economic and monetary prospects: Council conclusions ⁴ Creation of a European financial area ⁴

Number, place and date of meeting	Subject	President	Commission	Main items of business
1200th Brussels 16 to 18 and 23 to 26 November	Agriculture	Mr Toernaes	Mr Andriessen	Removal of tax frontiers: preliminary exchange of views Common system of VAT for used goods ⁴ Termination of certain VAT derogations ⁴ Investment policies of certain Uciits: common position ⁵ Implementation of agricultural stabilizers ⁶ Changes in common organization of markets in sugar, milk and sheep-meat Free food scheme: examination Hormones Directive: decision on transitional measures
1201st Brussels 23 and 24 November	General affairs	Mr Ellemann-Jensen Mr Tygesen	Mr Delors Mr Andriessen Mr Christophersen Mr Cheysson Mr Clinton Davis Mr Varfis	Preparations for Copenhagen European Council ⁷ Relations with Gulf States ⁸ Japan: negotiations under GATT Article XXIV.6 ⁹ Maximum permitted radioactivity levels for foodstuffs ¹
1202nd Cancelled				
1203rd Brussels 30 November	Internal market	Mr Wilhelm Mr Dyremose	Lord Cockfield Mr Sutherland	Non-life insurance Customs union Type approval of tractors: common position Sound power level of lawn-mowers: common position Trade marks: harmonization of national laws, Community trade mark Customs debt payment: common position Information procedure on standards and technical rules: common position Dangerous preparations: agreement Mutual recognition of higher-education diplomas Cosmetics

Number, place and date of meeting	Subject	President	Commission	Main items of business
				Pricing of medicinal products: preliminary discussion Good laboratory practice Merger control: further debate

- ¹ Nuclear safety
- ² Development
- ³ Energy.
- ⁴ Economic and monetary policy.
- ⁵ Financial institutions and company law.
- ⁶ Agriculture.
- ⁷ European policy and relations between the institutions.
- ⁸ Relations with other countries and regions.
- ⁹ Relations with industrialized countries.

Commission

Activities

2.4.21. The Commission’s activities this month focused on preparations for the Copenhagen European Council: the Commission President, Mr Delors, met the President of the European Council, Mr Schlüter, and the President of Parliament, Lord Plumb; a proposal for a Decision on the correction of budgetary imbalances, closely linked to the proposals transmitted in July as a follow-up to the communication entitled ‘The Single Act: A new frontier for Europe’, particularly the one on the new own-resources Decision (→ point 2.4.8),¹ was sent to the Council; Mr Delors will also be presenting the European Council with a paper on the economic situation and a progress report on the European Monetary System.

Decision, communications and proposals

2.4.22. The Commission sent the Council a proposal for a framework Directive on safety standards applicable to machines, the most important and ambitious effort so far

on standards in the large market (→ point 2.1.21).

The Commission decided to publish a guide in the *Official Journal* giving details on how to interpret all existing texts on the application and monitoring of European rules on the various types of public contract. The idea is to give a clearer picture of the thinking behind European legislation in this field and to help avoid improper application by the Member States (→ point 2.1.31).

The Commission decided to propose to the Council that all production quotas imposed on the European steel industry be terminated from 1 July 1988, except in the case of two product categories—heavy plate and heavy sections—for which the quota system could be extended until the end of 1990 provided guaranteed closure commitments were secured from the industry by 15 March (→ point 2.1.35).

A report on the results of the Council resolution of 22 December 1986 on an action programme on employment growth was sent to the Council. The report looked at progress so far and at future developments (→ point 2.1.111).

The Commission adopted a proposal for a Council Regulation which would allow

¹ OJ C 241, 8.9.1987; Bull. EC 7/8-1987, point 1.1.4.

financial aid of 53 million ECU to be granted to transport infrastructure projects (→ point 2.1.242).

Discussions, policy debates and work in hand

Finally, the Commission granted emergency aid to the victims of drought in Ethiopia (→ point 2.2.50).

2.4.23. The Commission examined the desirability of a Community aid programme for the production of bioethanol for use as fuel.

Court of Justice¹

2.4.24. New cases

Case	Subject	Basis
Free movement of goods 266/87 and 267/87 R (i) Pharmaceutical Society of Great Britain, <i>ex parte</i> the Association of Pharmaceutical Importers and Others; (ii) Secretary of State for Social Services, <i>ex parte</i> the Association of Pharmaceutical Importers and Others	Is a national rule of a Member State inconsistent with Article 30 EEC where it requires a pharmacist, in response to a prescription calling for a medicinal product by its trade mark or proprietary name, to dispense only a product bearing that trade mark or proprietary name where the effect of such a rule is to prevent the pharmacist from dispensing a therapeutically equivalent product licensed by the competent national authorities pursuant to rules adopted in conformity with the judgment of the Court of Justice in Case 104/75 and manufactured by the same company or group of companies or by a licensee of that company but bearing a trade mark or proprietary name applied to it in another Member State which differs from the trade mark or proprietary name appearing in the prescription?	Article 177 EEC
Customs union 303/87 University of Stuttgart v HZA Stuttgart-Ost	Validity of Commission Decision 85/C 57/03 of 1 March 1985 concerning the apparatus known as 'Jarrell-Ash Plasma Atomcomp Direct Reading Spectrometer System, model 1125 A', which ruled that the apparatus could not be imported free of import duties	Article 177 EEC
Taxation 330/87 Société anonyme d'étude et de gestion immobilière (EGI) v État belge	Do Articles 18(1)(a) and 22(3)(a) and (b) of the sixth VAT Directive permit the Belgian State to provide, in Article 2 of the Royal Decree of 23 July 1969, that a taxable person may exer-	Article 177 EEC

¹ For more detailed information, see the material published by the Court of Justice in the *Official Journal* and the *European Court Reports*, and the publications of its Information Office (e.g. the weekly *Proceedings of the Court*).

Case	Subject	Basis
<p>Competition</p> <p>320/87 Ottung v (i) Klee & Weilbach A/S; (ii) Thomas Schmidt A/S</p>	<p>cise the right to deduct only if he holds a document which must contain not merely the usual information contained in an invoice in the traditional sense as defined in commercial law but also additional information alien to the nature, essence and purpose of a commercial invoice?</p> <p>Does a contractual obligation under which a licensee of a patented invention is to pay royalty for an indeterminate period, and thus even after the expiry of the patent, constitute a restriction of competition of the kind referred to in Article 85(1) EEC where the agreement was entered into after the patent application was submitted and immediately before the patent was granted?</p> <p>In that connection is it of any significance that the grantor cannot determine the agreement whereas the licensee can bring it to an end by giving a certain notice of termination and, according to the terms of the agreement, is thereafter not entitled to exploit the patent?</p>	Article 177 EEC
<p>Agriculture</p> <p>311/87 Erzeugergemeinschaft Goldenes Rheinhessen wV v Land Rheinland Pfalz, represented by the Minister for the Environment and Health</p>	Is the second indent of Article 12(2)(q) of Council Regulation (EEC) No 355/79 laying down general rules for the description and presentation of wines and grape musts to be interpreted as meaning that the right of a group of vineyards to describe its wines as 'Erzeugerabfüllung' (bottled by the producer) does not depend on the undertaking in which the bottling took place and the grapes were made into wine, or as meaning that the bottling and preparation of the wine or one of those two operations must have taken place on the undertaking of the group of vineyards?	Article 177 EEC
354/87 Weddel & Co BV v Commission ¹	Annulment of Commission Regulation (EEC) No 2806/87 of 18 September 1987 on the issue of import licences for high-quality, fresh, chilled or frozen beef or veal	Article 173 EEC
<p>Transport</p> <p>355/87 Commission v Council²</p>	Annulment of Council Decision 87/475/EEC of 17 September 1987 (relating to maritime transport between Italy and Algeria) by which the Council authorized Italy to ratify an agreement with Algeria, thereby wrongly and in violation of the legislation in force amending the proposal for a Council Decision presented by the Commission on 6 July 1987	Article 173 EEC

Case	Subject	Basis
Infringements		
345/87 Commission v France ³	Failure to fulfil obligations: non-communication of national measures to implement Council Directive 83/416/EEC concerning the authorization of scheduled inter-regional air services for the transport of passengers, mail and cargo between Member States	Article 169 EEC
353/87 Commission v Italy ⁴	Failure to fulfil obligations: non-communication of national measures to implement the tenth Council VAT Directive (application of VAT to the hiring-out of movable tangible property)	Article 169 EEC

Disputes between the Community and its staff

v Commission:

343/87 Culin³

346/87 Bossi⁵

v Court of Justice:

351/87 Tagaras⁶

¹ OJ C 352, 30.12.1987

² OJ C 2, 6.1.1988.

³ OJ C 329, 8.12.1987

⁴ OJ C 350, 29.12.1987.

⁵ OJ C 333, 11.12.1987.

⁶ OJ C 342, 19.12.1987.

2.4.25. Judgments

Date and Case	Held
ECSC — Steel	
12.11.1987: 344/85 Ferriere San Carlo v Commission ¹	The Commission's decision of 9 October 1985 imposing a fine on Ferriere San Carlo SpA under Article 58 ECSC is void
Right of establishment and freedom to provide services	
12.11.1987: 198/86 Conradi and Others v Direction de la concurrence et des prix des Hauts-de-Seine and ministère public ¹	Article 2(2) of Council Directive 64/223/EEC of 25 February 1964 cannot be relied upon by an individual before a court or tribunal of a Member State in order to prevent the application to him of national rules governing the pursuit of retail trade activities
Competition	
17.11.1987: 142/84 and 156/84 British-American Tobacco Company Ltd and R.J. Reynolds Industries Inc. v Commission	Applications dismissed (annulment of the Commission Decision of 22 March 1984 not to act against an agreement between Philip Morris and Rembrandt under Articles 85 and 86 EEC)

Date and Case	Held
Taxation	
12.11.1987: 112/86 Amro Aandelen Fonds v Inspecteur der Registratie en Successie	A group of persons without legal personality, the members of which provide capital for separate assets with a view to making profits is to be deemed to be a capital company by virtue of Article 3(2) of Directive 69/335/EEC without any additional requirement. It is, however, for the national legislature, by virtue of the same provision, to determine whether or not it is to be regarded as a capital company for the purpose of charging capital duty
State aid	
11.11.1987: 259/85 France v Commission ¹	Application dismissed (annulment of the Commission Decision of 5 June 1985 concerning an aid scheme in favour of the textile and clothing industry in France funded by means of parafiscal charges)
24.11.1987: 223/85 Rijn-Schelde-Verolme v Commission ²	Commission Decision 85/351/EEC of 19 December 1984 concerning aid granted by the Netherlands Government to an engineering undertaking is void
Agriculture	
18.11.1987: 137/85 Maizena Gesellschaft mbH v Bundesanstalt für Landwirtschaftliche Marktordnung ¹	Consideration of the question referred to the Court has disclosed no factor of such a kind as to affect the validity of the second indent of Article 38(1)(c) of Commission Regulation (EEC) No 3183/80 of 3 December 1980 laying down common detailed rules for the application of the system of import and export licences and advance fixing certificates for agricultural products
25.11.1987: 342/85 Italy v Commission ²	Commission Decision 85/459/EEC of 28 August 1985 on the clearance of the accounts presented by Italy in respect of the EAGGF Guarantee Section expenditure for 1980 is void insofar as it refuses to charge to the EAGGF LIT 655 750 granted as aid for skimmed-milk powder in intervention The remainder of the application is dismissed
25.11.1987: 343/85 Italy v Commission	Commission Decision 85/460/EEC of 28 August 1985 on the clearance of the accounts presented by Italy in respect of the EAGGF Guarantee Section expenditure for 1981 is void insofar as it refuses to charge to the EAGGF LIT 677 198 690 granted as aid for skimmed-milk powder in intervention The remainder of the application is dismissed

Date and Case	Held
Convention on Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters	
26.11.1987: 73/87 Société Euromarketing v Bortscher	Removed from the Court Register (interpretation of Article 5(1) of the Convention)
External relations	
11.11.1987: 205/87 Nuova Ceam Srl v Commission ³	Application dismissed as inadmissible (annulment of Commission Regulation (EEC) No 1043/87 of 10 April 1987 imposing a provisional anti-dumping duty on imports of standardized multi-phase electric motors having an output of more than 0.75 kW but not more than 75 kW, originating in Yugoslavia)
Infringements	
11.11.1987: 105/86 Commission v France	Removed from the Court Register (failure to fulfil obligations under Articles 5, 9 and 95 EEC by making it impossible or excessively difficult to obtain repayment of charges levied contrary to Community law)
11.11.1987: 306/86 Commission v Belgium	Removed from the Court Register (failure to communicate national measures implementing Council Directive 76/135/EEC on reciprocal recognition of navigability licences for inland waterway vessels)
11.11.1987: 16.87 Commission v France	Removed from the Court Register (failure to communicate national measures implementing Council Directive 82/712/EEC on antioxidants)
24.11.1987: 124/86 Commission v Italy ⁴	By failing to adopt within the time allowed the provisions necessary to comply with Council Directive 83/183/EEC on tax exemptions applicable to permanent imports from a Member State of the personal property of individuals, Italy has failed to fulfil its obligations under the EEC Treaty
24.11.1987: 125/86 Commission v Italy ⁴	By failing to adopt within the time allowed the provisions necessary to comply with Council Directive 83/181/EEC determining the scope of Article 14(1)(d) of Directive 77/388/EEC as regards exemption from value-added tax on the final importation of certain goods, Italy has failed to fulfil its obligations under the EEC Treaty

¹ OJ C 329, 8.12.1987.² OJ C 339, 17.12.1987.³ OJ C 350, 29.12.1987.⁴ OJ C 334, 12.12.1987.

Court of Auditors

2.4.26. The Court of Auditors has adopted a special report on food aid to India from 1978 to 1985 under 'Operation Flood II'.¹ The report recalled the aims of the programme—both for the Community and for India—which were to provide food aid and then to sell the products supplied on the Indian market to yield funds to finance the improvement of Indian dairy production structures. Over a period of eight years, 390 million ECU worth of food aid was sent to India, mainly in the form of skimmed-milk powder and butteroil.

The Court found that while Operation Flood II had in general been conducted satisfactorily, the most needy section of the Indian population did not have the financial means to purchase dairy products. The Indian dairy products market was reaching the point where any surplus imports forced prices down and was likely to act as a deterrent on local production.

The Court also noted that a large part of the revenue generated by Operation Flood II had still not been used and was simply a cash reserve for the agency running the programme.

In its reply accompanying the report, the Commission pointed out that some of the shortcomings it had itself discovered in Operation Flood II would be put right in 'Operation Flood III', which would consolidate and conclude Operation Flood II.

2.4.27. The Court of Auditors has adopted a special report on the management of the counterpart funds for food aid.

The report recalled the Community regulations which for several years have allowed the Community to require that the food it provides to developing countries as food aid be sold on local markets. If prices are set at a level compatible with that of locally produced foodstuffs, local farmers are not deterred from producing and a contribution is made towards eliminating the country's overall food deficit. The Court noted that the rules applied between 1982 and 1986

were too vague and that, in the absence of adequate instructions from the Commission, the management of the funds had sometimes been inefficient. In its reply accompanying the report, the Commission underlined that the main aim in supplying products for sale was to provide both food aid and economic support, and that the counterpart funds were consequently a by-product of the aid. However, the Commission believed that the new 'general conditions' would, where necessary, make for improved management of the counterpart funds.

2.4.28. The Court of Auditors approved its annual report concerning the execution of the general budget of the Communities for the financial year 1986 and the operations of the European Development Funds for that year. The report, together with the replies from the institutions, was published in the *Official Journal of the European Communities*.

2.4.29. The Court of Auditors adopted an opinion² on the second amendment³ of the proposal for a Council Regulation⁴ amending the Financial Regulation of 21 December 1977 applicable to the general budget of the European Communities.⁵

2.4.30. The Court of Auditors adopted an opinion² on the third amendment⁶ of the proposal for a Council Regulation amending the 1977 Financial Regulation.⁵

2.4.31. The Court of Auditors adopted an opinion⁷ on a proposal⁸ for a Council Regulation introducing a temporary exception from the Regulation of 19 December 1977⁹ implementing the Decision of 21 April 1970 on the replacement of financial

¹ Bull. EC 3-1986, point 2.2.38.

² OJ C 339, 17.12.1987.

³ OJ C 278, 16.10.1987; Bull. EC 7/8-1987, point 1.1.10.

⁴ OJ C 119, 21.5.1981; Bull. EC 12-1980, point 2.3.72.

⁵ OJ L 356, 31.12.1977.

⁶ OJ C 313, 25.11.1987; Bull. EC 10-1987, point 2.3.8.

⁷ OJ C 337, 16.12.1987.

⁸ OJ C 241, 8.9.1987; Bull. EC 7/8-1987, point 2.3.4.

⁹ OJ L 336, 27.12.1977.

contributions from Member States by the Communities' own resources.¹

2.4.32. The Court of Auditors adopted an opinion² on a proposal for a Council Regulation³ amending temporarily the 1977 Financial Regulation.⁴

2.4.33. The Court of Auditors adopted an opinion² on a proposal for a Council Regulation⁵ amending the 1977 Financial Regulation.⁶

Economic and Social Committee

250th plenary session

2.4.34. The Economic and Social Committee held its 250th plenary session in Brussels on 18 and 19 November with Mr Alfons Margot or Mr William G. Poeten in the chair.⁷

The Committee adopted opinions and own-initiative opinions on what has become known as the 'Delors package': the future financing of the Community (→ point 1.1.7); the social aspects of the internal market (→ point 1.1.12); reform of the structural Funds (→ point 1.1.19); the Commission's various agricultural proposals for giving effect to the Single European Act (→ point 1.1.11) and the application of agricultural stabilizers (→ point 1.1.11). It also adopted all the other opinions on its agenda.

The session was attended by Mr Peter Schmidhuber, the Member of the Commission with special responsibility for economic matters, who spoke in the debate on the annual economic report, explaining the Commission's position and stressing the difficulties posed by unemployment and the recent financial crisis.

Annual economic report 1987-88

2.4.35. The Committee adopted its opinion on the Commission's annual economic report 1987-88⁸ by 93 votes to 4 with 20 abstentions.

There were no substantial differences of view between the Committee's opinion and the Commission's report, which was drafted before the stock market crash. As a remedy for the likely consequences of the stock market crash (slacker growth rate leading to world recession) the opinion proposed boosting the Community economy by means of tax cuts, productive public investment, lower interest rates and measures to combat speculation to be followed, in the medium term, by greater efforts to achieve cohesion among the Member States, which all were urged to strive for.

The debate preceding the adoption of the opinion dealt mainly with the effects of the stock market crisis and what could be done to mitigate its worst consequences. Mr Schmidhuber felt that only rapid and effective international cooperation could call a halt to the plunge of stock markets and currencies.

The Committee concluded its opinion by making a solemn appeal to the governments of the Member States to stop dithering and announce the concerted adoption of substantial economic and monetary measures which would give a firm boost to growth.

Brite programme

2.4.36. The Committee unanimously adopted an opinion on the proposal for a Decision⁹ amending the Decision of 12 March 1985 concerning a multiannual research and development programme of the Community in the field of basic technological research and the application of new technologies (Brite) (1985-88).¹⁰

¹ OJ L 94, 28.4.1970.

² OJ C 337, 16.12.1987.

³ OJ C 298, 7.11.1987; Bull. EC 10-1987, point 2.3.9.

⁴ OJ L 356, 31.12.1977.

⁵ OJ C 186, 16.7.1987.

⁶ OJ C 313, 25.11.1987; Bull. EC 10-1987, point 2.3.8.

⁷ Bull. EC 10-1987, point 2.4.38 *et seq.*

⁸ Bull. EC 10-1987, point 1.4.1 *et seq.*

⁹ OJ C 238, 4.9.1987, Bull. EC 7/8-1987, point 2.1.59.

¹⁰ OJ L 83, 25.3.1985; Bull. EC 12-1984, points 1.7.1 and 1.7.2.

The Committee approved the amendment, though it had certain comments to make. It suggested that the Commission should encourage participating firms to subcontract appropriate parts of projects to small businesses so as not to compromise the critical size of projects. With regard to participation in the programme by the EFTA countries, it considered that attention should be paid to the appropriate distribution of running costs and expenses, the confidential character of the information and the use made of the results derived from the projects.

Radiation protection

2.4.37. The Committee unanimously adopted an opinion on the proposal for a Decision¹ revising the multiannual research and training programme for the European Atomic Energy Community in the field of radiation protection (1985-89).²

The Committee approved the proposal. It felt that the need for an increase in funding for radiation protection had been highlighted by the Chernobyl nuclear accident. It also wanted the Commission to look in detail at the question of crisis management and the problems which it raises: food contamination, definition of high-risk groups, evacuation plans and training of personnel concerned.

AIM Programme

2.4.38. The Committee adopted *nem. con.* with one abstention its opinion on the proposal for a Regulation on Community action in the field of information technology and telecommunications applied to health care (AIM) — pilot phase.³

The Committee approved the proposal but requested that the pilot phase for medical information and bioinformatics should last for at least two years (instead of 18 months). It regarded the amount of 20 million ECU for the pilot phase as only an initial allocation and asked for adequate resources to

be made available for the continuation of AIM.

Information market

2.4.39. The Committee adopted unanimously its opinion on a draft Decision concerning the establishment of a policy and a plan of priority actions for the development of an information services market.⁴

The Committee approved the project, which it considered would encourage developments of considerable importance for the employment market in the Member States.

Green Paper on telecommunications

2.4.40. With just two votes against and one abstention, the Committee adopted its opinion on the Commission's communication 'Towards a dynamic European economy — Green Paper on the development of the common market for telecommunications services and equipment'.⁵

The Committee shared the Commission's view of the growing importance of the telecommunications industry and its impact both on the economies of the individual Member States and on the Community as a whole.

It supported the continued exclusive or special rights of the telecommunications administrations to provide and operate the network infrastructure and to provide certain basic services to safeguard their public service role and insisted that the full opening of the terminals market to competition had to be phased. It also wanted short-term transitional solutions found.

The Committee felt that the Green Paper did not pay sufficient attention to the financial aspects of how its objectives were to be achieved.

¹ OJ C 302, 12.11.1987; Bull. EC 7/8-1987, point 2.1.61.

² OJ L 83, 25.3.1985; Bull. EC 12-1984, points 1.7.1 and 1.7.2.

³ Bull. EC 7/8-1987, point 2.1.69.

⁴ OJ C 249, 17.9.1987; Bull. EC 7/8-1987, point 2.1.71.

⁵ Bull. EC 6-1987, point 1.4.1.

Resider programme

2.4.41. With two abstentions, the Committee adopted *nem. con.* its opinion on the proposal for a Regulation instituting a Community programme to assist the conversion of steel areas (Resider programme).¹

The opinion, which resembled that on the Renaval programme (→ point 2.4.42), welcomed the proposal but regarded the funds allocated as inadequate.

The Committee considered that the Resider programme, like the Renaval programme, should also serve as a model for reform of the structural Funds. It regretted that the Commission had not taken the opportunity to make a detailed review of the stimulation measures applied at regional level so that account could be taken of them in the programme, if appropriate.

Renaval programme

2.4.42. The Committee unanimously adopted its opinion on the Commission's communication on the industrial, social and regional aspects of shipbuilding.²

It stated that, in the absence of a precise industrial policy and a purposeful coordinated foreign trade policy, regional and social policy measures would not prevent the Community shipbuilding industry, or rather what remained of it, from having to continue the struggle to remain competitive under distorted terms of competition. The Committee stressed the great importance of coordination between the Renaval programme and the accompanying social measures and the need for an integrated approach to obtain the maximum synergy from the participation of all concerned. It welcomed the proposed regulation on the accompanying social measures but felt it essential that these should be extended to workers in related sectors or ancillary industries. The measures designed to promote the return to economic activity and social vocational integration should also

include retraining programmes for the workers concerned.

The Committee considered that the criteria for designating the regions eligible under the Community programme and the allocation of funds should include not only future job losses but also those already recorded in shipyards and shipbuilding areas.

Provided these suggestions were incorporated, the Committee could support the package of measures. It feared that the appropriations allocated could prove inadequate and suggested that they should be increased above the level currently planned.

Protection of the Rhine

2.4.43. By 80 votes to 3 with 9 absentions, the Committee adopted an opinion on the proposal for a Decision³ concerning a supplement in respect of carbon tetrachloride to Annex IV to the Convention for the Protection of the Rhine against Chemical Pollution⁴ and the Commission's communication to the Council concerning the recommendation of the International Commission for the Protection of the Rhine against Pollution on the monitoring of carbon tetrachloride discharges.⁵

The Committee approved the proposal but invited the Commission and the International Commission for the Protection of the Rhine to reduce the period for introducing the new limit values from ten to two years so as to accelerate the clean-up process.

Dangerous substances

2.4.44. The Committee adopted unanimously its opinion on the proposal for a Directive⁵ amending Annex II to the Direc-

¹ OJ C 272, 10.10.1987; Bull. EC 7/8-1987, points 2.1.25 and 2.1.146.

² OJ C 291, 31.10.1987; Bull. EC 7/8-1987, points 2.1.19, 2.1.132 and 2.1.156.

³ Bull. EC 9-1987, point 2.1.109.

⁴ OJ L 240, 19.9.1977.

⁵ OJ L 314, 26.11.1987; Bull. EC 10-1987, points 2.1.124.

tive of 12 June 1986¹ on limit values and quality objectives for discharges of certain dangerous substances included in List I of the Annex to the Directive of 4 May 1976.²

The Committee approved the extension of the scope of the Directive of 12 June 1986¹ but asked the Commission and the Council to recommend that the Member States take steps to ensure that the limit values and quality objectives proposed come into force before the deadlines in the proposal expire, particularly since the Directive is already widely applied.

Road passenger transport services

2.4.45. The Committee adopted *nem. con.* with one abstention its opinion on the proposal for a Regulation laying down the conditions under which non-resident carriers may operate national road passenger transport services within a Member State.³

The Committee agreed that there is a close link between the liberalization of transport services and the harmonization of the conditions governing these services and drew attention to the positive impact of the judgment on transport policy given by the Court of Justice on 22 May 1985.⁴

International carriage of passengers by road

2.4.46. The Committee adopted its opinion on the proposal for a Regulation on common rules for the international carriage of passengers by coach and bus⁵ by a large majority with three votes against and four abstentions.

The Committee hedged its approval with a number of comments and suggestions, which, it felt, made it virtually impossible for the Regulation to come into force on 1 January 1988. It noted that the supply of transport services exceeds demand on certain Community markets and that some new provisions in the proposal gave rise to the fear that competition might become cut-throat in future. In order to prevent damaging consequences for operators and their

employees, the Committee considered that the broadest possible harmonization should be accompanied by the elimination of distortions of competition in the fields of taxes, safety, training of drivers, monitoring of application of social provisions, punishment of infringements, criteria for access to the profession and the revoking of authorizations.

Summer time

2.4.47. With four abstentions, the Committee adopted *nem. con.* its opinion on the proposal for a fourth Council Directive on summer time arrangements (→ point 2.1.251).⁶

The Committee approved the proposal, pointing out that it had already come out in favour of harmonization of these provisions throughout the Community.

European Investment Bank⁷

Operations in November 1987

2.4.48. Loans announced by the European Investment Bank in November for investments within the Community totalled 541.7 million ECU,⁸ broken down as follows: 210.8 million ECU in Italy, 182.1 million ECU in France, 130 million ECU in Spain and 18.8 million ECU in Greece. Of the total amount, 35.1 million ECU was provided from the resources of the new Community borrowing and lending instrument

¹ OJ L 181, 4.7.1986; Bull. EC 6-1986, point 2.1.147.

² OJ L 129, 18.5.1976.

³ OJ C 77, 24.3.1987; Bull. EC 2-1987, point 2.1.169.

⁴ Case 13/83 *Parliament v Council* [1985] ECR 1556; Bull. EC 5-1985, point 1.1.1.

⁵ OJ C 120, 6.5.1987; Bull. EC 2-1987, point 2.1.170.

⁶ OJ C 325, 4.12.1987.

⁷ Further details can be obtained from the European Investment Bank, 100 boulevard Konrad Adenauer, L-2950 Luxembourg (Tel. 4379-1).

⁸ The conversion rates at 30 September used by the EIB in statistics for the fourth quarter were 1 ECU = BFR 43.13, DKR 7.98, DM 2.08, DR 158.82, ESC 163.62, FF 6.92, HFL 2.34, IRL 0.77, LFR 43.13, LIT 1 499, PTA 137.87, UKL 0.69, USD 1.13.

(NCI).¹ Outside the Community, the Bank lent 60 million ECU to four ACP States and a French overseas territory under the third Lomé Convention and the subsequent Decision on overseas countries and territories and 25 million ECU to two Mediterranean countries.

Community

Italy

2.4.49. In Italy the Bank lent LIT 295 000 million, including LIT 20 000 million from the resources of the NCI. LIT 98 500 million went to projects carried out by the local authorities under the Fondo Investimenti e Occupazione concerned with environmental protection: LIT 65 000 million to waste-water treatment works to reduce pollution in the River Po; LIT 11 000 million for water distribution and landslip prevention schemes in Campobasso (Molise); LIT 10 000 million for the extension of sewage collection and treatment in the Marche coastal zone; LIT 8 000 million for erosion control and waste disposal works in Basilicata; and LIT 4 500 million for the construction of waste-water treatment plants at Scanno and for the improvement of water supplies in Teramo (Abruzzi).

A LIT 4 000 million loan also went to the region of Sardinia for the development of fish-farming in lagoons near Oristano; and LIT 8 000 million to the Abruzzi regional authorities for modernization and extension of the ports of Giulianova and Ortona. A further LIT 9 000 million went to the Cultural Heritage Ministry to meet the cost of repair and restoration works at Pompeii, Herculaneum and Stabiae.

Global loans of LIT 90 000 million to the Istituto Mobiliare Italiano, the Banca Nazionale del Lavoro and Istituto San Paolo di Torino will help stimulate the growth of small and medium-sized businesses in industry, agricultural processing and tourism in the less developed regions.

A LIT 20 500 million loan will help finance the extension of the Fiorucci delicatessen

factory at Pomezia in southern Lazio, and LIT 5 000 million will go to the rationalization of an alumina plant near Cagliari, Sardinia.

Finally, a LIT 80 000 million loan to Ente Nazionale per l'Energia Elettrica was for the construction of a coal-fired power station, equipped with high-performance filters to avoid noxious emissions, in Brindisi, Puglia.

France

2.4.50. The Bank granted FF 1 260 million for small and medium-scale investment projects: FF 760 million was granted for investment in industry and related services, tourism and equipment to save energy and protect the environment. This aid took the form of global loans granted to the Banque populaire du Nord and the Banque populaire de l'Est and to Fructicomi and Fructibail, two subsidiaries of the Caisse centrale des banques populaires.

FF 560 million was granted to the Banque populaire du Nord (FF 250 million), the Banque populaire de Lorraine (FF 110 million), the Banque populaire de la région économique de Strasbourg (FF 100 million) and the Banque populaire du Haut-Rhin (FF 100 million). The funds will be onlent to projects selected in agreement with the EIB and carried out by small firms or local authorities, chambers of commerce and other public-sector institutions. These credits may be granted in the form of loans or property or plant leasing arrangements.

Of this FF 560 million, FF 275 million has been granted by decision of the EIB Board of Governors to accompany NCI IV and will finance small businesses irrespective of geographical location. The other FF 285 million granted from the Bank's own resources will be onlent to small firms in the manufacturing, tourism and production services industries in areas qualifying for regional aid and for equipment relating to energy and the environment.

¹ OJ L 298, 20.10.1978.

FF 200 million will be onlent by Fructicomi and Fructibail for projects by small firms, local authorities and public-sector institutions in industry, production services, tourism, energy and environmental protection. The credits will be granted in the form of property leasing arrangements throughout the country: FF 100 million will be onlent in areas qualifying for regional aid and FF 100 million will be onlent throughout the country without geographical restriction under the decision accompanying NCI IV.

FF 350 million has been granted to the Caisse centrale de crédit coopératif: FF 250 million for projects involving small fisheries, industrial fishing fleets, fish processing, aquaculture, the permanent improvement of production conditions and the initial sale of fishery products, port infrastructures and port equipment and FF 100 million for property leasing operations in industry, tourism and related services. The credits will be used for the acquisition of buildings for business use.

The projects to be financed will conform to the Community's directives in the fisheries sector. They may be carried out by small and medium-sized public or private firms, property companies or public-sector institutions such as chambers of commerce.

Finally, FF 150 million was granted to the Expanso (FF 75 million) and Tofinso (FF 75 million) regional development corporations. These global loans will be onlent to projects in the areas covered by the intermediaries, i.e. the two regions of the South West (Aquitaine and Midi-Pyrénées) which also qualify for the integrated Mediterranean programmes.

Spain

2.4.51. The Bank lent PTA 8 000 million for small and medium-scale investments in industry, agricultural processing and infrastructure. Of this total, PTA 3 000 million came from NCI resources. The finance took the form of four global loans to banks or credit institutions which will act as the EIB's intermediaries for onlending.

Three banks in the ICO group (Instituto de Crédito Oficial) received a total of PTA 15 000 million. Banco de Crédito Agrícola was given PTA 5 000 million for agro-industry ventures. Banco de Crédito Industrial received PTA 5 000 million for investments in industry and related services (including tourism in less developed regions), designed to enhance productivity and competitiveness. Half of each loan is earmarked for ventures promoted by small businesses in the more developed regions in line with a decision by the EIB's Board of Governors to support NCI IV by granting 750 million ECU from its own resources to productive investments by small businesses outside the less prosperous areas. The remaining PTA 5 000 million went to Banco de Crédito Local and will be onlent for small and medium-scale infrastructure schemes (including road, water, sewerage, electrification and urban development projects) in less developed regions carried out by local public authorities.

Banco Atlántico received a PTA 3 000 million loan from NCI resources for schemes to renovate and modernize boilers in small firms in order to help save energy and replace fuel oil by natural gas; the environment will benefit from the use of heating processes which generate less pollution.

Greece

2.4.52. The Bank granted almost DR 3 000 million for various smaller-scale infrastructure works in Crete under the integrated Mediterranean programmes (IMPs) as well as investment in electricity production and transmission.

The IMP for Crete is a coordinated Community effort to provide finance for investment that improves socio-economic structures. Within this framework a loan of around DR 1 600 million will go towards schemes involving irrigation, forestry, roads, ports, airports, water supplies, sewerage, construction of vocational training centres and protection of the environment.

A total of DR 1 400 million has been advanced to the Public Power Corporation, including DR 1 000 million for the erection of a new high-voltage overhead electricity transmission line linking the Kardia (western Macedonia) and Agios Stefanos (Athens) substations and DR 400 million for the construction of two small hydroelectric power stations in central Greece. These projects, which are in accordance with the Community's energy objectives, will reduce Greece's dependence on oil imports.

Outside the Community

ACP States

2.4.53. The Bank granted a loan of 21 million ECU from its risk capital under the third Lomé Convention for the development of an open-cast gold mine and ore-processing plant in southern Ethiopia. This aid is divided into conditional loans of 8 million ECU for 25 years at 2% and 13 million ECU for 15 years at 5%. The government will onlend the proceeds of the first loan to the Ethiopian Mineral Resources Development Corporation, a public enterprise responsible for implementation of the works, to finance a capital increase, and will use the second loan to make a shareholder's advance to the same enterprise. The gold mine in question is the Northern Lega Dembi mine, about 500 km south of Addis Ababa. The ore reserves amenable to open-cast mining are estimated at 8.8 million tonnes, from which it is thought some 32 tonnes of gold can be recovered. Further exploration work is continuing around the site of the mine. The project should create about 650 jobs in an isolated rural area, and the country as a whole should benefit from a substantial contribution to its balance of payments. The Bank has already given support for development of this important project, providing 100 000 ECU in 1985 and 500 000 ECU in 1986 (in both cases also from risk capital resources) to finance pre-feasibility studies.

2.4.55. The EIB granted 13 million ECU to the Development Finance Company of

Kenya (DFCK) for financing and rehabilitating small and medium-sized firms in industry, agricultural processing, tourism, mining and commercial agriculture. The aid consists of a global loan for 10 million ECU from the EIB's own resources which will be applied to finance projects selected by DFCK in agreement with the EIB and a global loan for 3 million ECU from risk capital to rehabilitate small and medium-sized firms in the form of either equity participations or quasi-capital aid (subordinated, conditional or convertible loans). DFCK is one of Kenya's leading development banks and is owned jointly by the Industrial Commercial Development Corporation of Kenya, the Commonwealth Development Corporation, the Nederlandse Financieringsmaatschappij voor Ontwikkelingslanden, the Deutsche Finanzierungsgesellschaft für Beteiligungen in Entwicklungsländern mbH and the International Finance Corporation of the World Bank Group.

2.4.55. A loan of 12 million ECU was granted to Senegal for upgrading and expanding the national telecommunications network, chiefly through recourse to digital technology. The funds have been advanced in the form of a conditional loan to the State from risk capital resources. The State will onlend the proceeds in the form of a convertible shareholder's advance to Société nationale des télécommunications, the public-sector company responsible for operating the country's telecommunications facilities. The scheme centres on installation of almost 40 000 telephone lines, provision of buildings, cables, transmission networks and microwave links, creation of a national data transmission network and establishment of a national maintenance organization together with technical assistance. There are also plans to rehabilitate various installations. The EIB loan will be earmarked for financing works mainly in the south of the country (regions of Ziguinchor, Kolda, Tambacounda and Diourbel) as well as the national data transmission network.

2.4.56. In Botswana 10 million ECU was granted to the Botswana Development Cor-

poration (BDC) for small and medium-scale investments in industry, agricultural processing, mining, tourism and transport. This aid consists of 7 million ECU from the Bank's own resources which will be onlent to small and medium-sized businesses and 3 million ECU from risk capital for shareholdings in the capital of small and medium-sized businesses, or quasi-equity. The BDC, most of whose capital is held by the central government together with the Commonwealth Development Corporation, the Deutsche Finanzierungsgesellschaft für Beteiligungen in Entwicklungsländern, the Nederlandse Financieringsmaatschappij voor Ontwikkelingslanden and the International Finance Corporation, will use the funds to help carry out projects selected in collaboration with the EIB.

2.4.57. The EIB has lent 4 million ECU for financing small and medium-sized firms operating in the industrial, agricultural processing, fisheries, tourism and transport sectors in French Polynesia. The funds have been advanced under the Decision taken by the Council on 30 June 1986¹ in tandem with the third Lomé Convention, providing for specific aid to overseas countries and territories enjoying special ties with certain Member States of the Community. The borrower is Société de crédit et de développement de l'Océanie (Socredo), the French Polynesia's leading banking institution jointly owned by the territorial government and Caisse centrale de coopération économique. 3 million ECU has been made available from the EIB's own resources and 1 million ECU from risk capital resources provided for under the Decision and managed by the EIB. The proceeds of the loan from own resources will be onlent by Socredo in support of small and medium-scale ventures selected in agreement with the EIB; the loan from risk capital resources

will be drawn on to fund the formation, expansion or rehabilitation of smaller enterprises by means of equity and/or quasi-equity (subordinated or conditional loans).

Mediterranean

2.4.58. The EIB granted 22 million ECU for the expansion of Béchar power station in south-west Algeria. The funds will go to Société nationale de l'électricité et du gaz (Sonelgaz). Due to be commissioned in 1990, the project involves the installation of five new industrial diesel generating sets of 8 MW each, a workshop, storage tanks and equipment, at a total cost of nearly 60 million ECU. Extension of the power station, which has a current installed capacity of 42 MW, forms part of a wider scheme by Sonelgaz to develop electricity supply in isolated networks in southern Algeria. This loan fully utilizes the amount earmarked for the EIB in the second EEC-Algeria Financial Protocol (1983-86).

2.4.59. In Malta the EIB lent 3 million ECU for the construction of a domestic waste recycling compost plant that will significantly reduce pollution on the island. The loan on special conditions is the first to be made under the second EEC-Malta Financial Protocol. The funds are drawn from Community budgetary resources and managed by the EIB under mandate from the Commission on behalf of the Community. The plant will recycle the organic waste of Malta's entire domestic refuse, converting it with sewage sludge into compost. The plant is expected to produce initially 50 000 tonnes of compost, rising to 75 000 tonnes by 1995, to be used by farmers for soil enrichment and by the government for land reclamation and improvement, and forestry.

¹ OJ L 175, 1.7.1986; Bull. EC 6-1986, point 2.2.43.

DOCUMENTATION

1. ECU

Values in national currencies of one ECU

30 November 1987¹

Belgian franc and Luxembourg franc (convertible)	43.1748
Belgian franc and Luxembourg franc (financial)	43.3828
Danish krone	7.97232
German mark	2.06165
Greek drachma	163.116
Portuguese escudo	167.808
French franc	7.01905
Dutch guilder	2.32001
Irish pound	0.778169
Italian lira	1 523.54
Spanish peseta	139.019
Pound sterling	0.688665
United States dollar	1.26094
Swiss franc	1.68967
Swedish krona	7.49569
Norwegian krone	8.03852
Canadian dollar	1.64869
Austrian schilling	14.5072
Finnish mark	5.08791
Japanese yen	166.697
Australian dollar	1.78351
New Zealand dollar	1.94440

¹ OJ C 321, 1.12.1987.

NB: Explanatory notes on the ECU and 'green' rates can be found in Bull. EC 7/8-1982, points 3.1.1 to 3.1.3, and Bull. EC 10-1984, point 3.1.1.

Representative rates ('green' rates)

Conversion rates into national currencies for the ECU used in connection with the common agricultural policy

November 1987	
National currency	Value in national currency of one ECU
Belgian franc and Luxembourg franc	47.3310 ¹ 48.0467 ² 48.0658 ³
Danish krone	8.58163 ¹ 8.88697 ⁴ 8.75497 ⁵
German mark	2.41047 ⁶ 2.39792 ⁷ 2.38516 ⁵
Greek drachma	129.691 ⁸ 131.480 ⁹ 124.840 ⁵ 137.262 ¹⁰ 150.275 ¹ 134.174 ^{7, 10, 11, 12} 128.340 ^{13, 14}
Portuguese escudo	181.888 ^{1, 15} 173.609 ¹⁶ 171.725 ^{5, 12}
French franc	7.47587 ^{3, 6, 12} 7.69553 ¹⁷ 7.54539 ¹ 7.45826 ² 7.43671 ¹¹ 7.73579 ⁴
Dutch guilder	2.70230 ⁶ 2.68801 ⁷ 2.68749 ¹ 2.67387 ⁵
Irish pound	0.832119 ² 0.831375 ³ 0.844177 ¹⁷ 0.843427 ⁴ 0.817756 ¹
Italian lira	1 629.00 ¹⁸ 1 613.00 ⁵ 1 638.00 ¹⁹ 1 654.00 ²⁰ 1 554.00 ¹ 1 597.00 ^{7, 21} 1 603.00 ¹¹

November 1987	
National currency	Value in national currency of one ECU
Spanish peseta	155.593 ²² 153.751 ²³ 151.806 ¹ 155.786 ² 154.213 ^{3, 11, 12}
Pound sterling	0.694266 ⁴ 0.710546 ¹⁷ 0.652575 ¹ 0.665557 ² 0.656148 ³

¹ For sheepmeat and goatmeat.
² For other livestock products.
³ For crop products.
⁴ For pigmeat.
⁵ For other products.
⁶ For milk and milk products.
⁷ For cereals.
⁸ For pigmeat from 1.11.1987 to 15.11.1987.
⁹ For pigmeat from 16.11.1987.
¹⁰ For sugar and tobacco.
¹¹ For wine.
¹² For olive oil.
¹³ For other crop products.
¹⁴ For eggs and poultrymeat.
¹⁵ Amounts not related to the fixing of prices.
¹⁶ For fishery products.
¹⁷ For beef/veal.
¹⁸ For fruit and vegetables and tobacco.
¹⁹ For pigmeat from 1.11.1987 to 8.11.1987.
²⁰ For pigmeat from 9.11.1987.
²¹ For oilseeds.
²² For pigmeat on 1.11.1987.
²³ For pigmeat from 2.11.1987.

2. Additional references in the Official Journal

3.2.1. This section lists the titles of legal instruments and notices of Community institutions or organs which have appeared in the Official Journal since the last Bulletin was published but relating to items appearing in earlier issues of the Bulletin; the references were not available when the Bulletin went to press.

The number of the Bulletin and the point to which this additional information refers is followed by the title shown on the cover of the Official Journal, the number of the issue and the date of publication.

Bull. EC 5-1987

Point 2.1.176

Commission Decision of 8 April 1987 on an Italian Government aid scheme to support Italian sugar traders

OJ L 313, 4.11.1987

Bull. EC 7/8-1987

Point 2.1.61

Proposal for a Council Decision revising the multi-annual research and training programme for the European Atomic Energy Community in the field of radiation protection (1987-89)

OJ C 302, 12.11.1987

Point 2.1.132

Specific Community programme of accompanying social measures — Proposal for a Council Regulation instituting a specific Community programme of accompanying social measures to assist workers in the shipbuilding industry who are made redundant or threatened with redundancy

OJ C 291, 31.10.1987

Point 2.1.146

Programme for the conversion of shipbuilding areas — Proposal for a Council Regulation instituting a Community programme to assist the conversion of shipbuilding areas (Renaval programme)

OJ C 291, 31.10.1987

Point 2.4.36

Special Report No 3/87 of the Court of Auditors on the common organization of the market in raw tobacco, accompanied by the Commission's replies

OJ C 297, 6.11.1987

Bull. EC 9-1987

Point 2.1.43.

Proposal for a Council Regulation on a research and development programme in the field of applied metrology and chemical analyses in the European Economic Community 1988-92 (the Community Bureau of Reference — BCR)

OJ C 304, 14.11.1987

Point 2.1.173

Proposal for a Council Regulation concerning the conclusion of the Agreement between the European Economic Community and the Government of the Commonwealth of Dominica on fisheries

OJ C 321, 1.12.1987

Point 2.1.190

Revision of the report of the Commission of 24 July 1987, 'The market for solid fuels in the Community in 1986 and the outlook for 1987'

OJ C 313, 25.11.1987

Points 2.4.23 to 2.4.44

Opinions adopted by the Economic and Social Committee during its session on 23 and 24 September 1987

OJ C 319, 30.11.1987

3. Infringement procedures

Initiation of proceedings for failure to implement directives

3.3.1. In November the Commission sent letters of formal notice for failure to incorporate directives into national law (the Commission not having been informed of national implementing measures) in the following cases:

Internal market and industrial affairs

Commission Directive of 18 June 1986¹ adapting to technical progress the Council Directive of 17 September 1984 on the approximation of the laws of the Member States relating to electrically operated lifts² (Belgium, Greece, Ireland, Italy, Luxembourg).

Employment, education and social policy

Council Directive of 19 September 1983 on the protection of workers from the risks related to exposure to asbestos at work³ (second individual Directive within the meaning of Article 8 of the Council Directive of 27 November 1980⁴) (Greece, Italy, Luxembourg, the Netherlands, United Kingdom).

Transport

Council Directive of 19 December 1984 on the use of vehicles hired without drivers for the carriage of goods by road⁵ (Italy).

Council Directive of 14 November 1985⁶ amending the Council Directive of 13 May 1965 concerning the standardization of certain rules relating to authorizations for the carriage of goods by road between Member States⁷ (France, Greece, Ireland, the Netherlands).

Environment and consumer protection

Council Directive of 7 March 1985 on air quality standards for nitrogen dioxide⁸ (Greece).

Commission Directive of 11 July 1985⁹ adapting to technical progress the Council Directive of 19 December 1978 on the approximation of the laws of the Member States relating to the determination of the noise emission of construction plant and equipment¹⁰ (Germany, Greece, United Kingdom).

Sixth Commission Directive of 16 July 1985¹¹ adapting to technical progress Annexes II, III, IV, V and VI to the Council Directive of 27 July 1976 on the approximation of the laws of the Member

States relating to cosmetic products¹² (Belgium, Greece).

Fourth Commission Directive of 11 October 1985 on the approximation of the laws of the Member States relating to methods of analysis necessary for checking the composition of cosmetic products¹³ (Belgium, France).

Seventh Commission Directive of 28 February 1986¹⁴ adapting to technical progress Annexes II, III, IV and V to the Council Directive of 27 July 1976 on the approximation of the laws of the Member States relating to cosmetic products¹² (Belgium, Greece).

Eighth Commission Directive of 26 March 1986¹⁵ adapting to technical progress Annexes II, IV and VI to the Council Directive of 27 July 1976 on the approximation of the laws of the Member States relating to cosmetic products¹² (Belgium, Greece).

Reasoned opinions

3.3.2. In November the Commission delivered reasoned opinions for failure to incorporate directives into national law (the Commission not having been informed of national implementing measures) in the following cases:

Internal market and industrial affairs

Council Directive of 25 July 1983 on the approximation of the laws of the Member States relating to certain lactoproteins (caseins and caseinates) intended for human consumption¹⁶ (France, the Netherlands).

Council Directive of 19 November 1973 on the approximation of the laws, regulations and administrative provisions of the Member States relating to the certification and marking of wire-ropes, chains and hooks¹⁷ (Greece).

¹ OJ L 196, 18.7.1986.

² OJ L 300, 19.11.1984.

³ OJ L 263, 24.9.1983.

⁴ OJ L 327, 3.12.1980.

⁵ OJ L 335, 22.12.1984.

⁶ OJ L 309, 21.11.1985.

⁷ OJ 88, 24.5.1965.

⁸ OJ L 87, 27.3.1985.

⁹ OJ L 233, 30.8.1985.

¹⁰ OJ L 33, 8.2.1979.

¹¹ OJ L 224, 22.8.1985.

¹² OJ L 262, 27.9.1976.

¹³ OJ L 295, 7.11.1985.

¹⁴ OJ L 138, 24.5.1986.

¹⁵ OJ L 149, 3.6.1986.

¹⁶ OJ L 237, 26.8.1983.

¹⁷ OJ L 335, 5.12.1973.

Council Directive of 20 May 1975 on the approximation of the laws of the Member States relating to aerosol dispensers¹ (Greece).

Commission Directive of 13 April 1976² adapting to technical progress the Council Directive of 19 November 1973 on the approximation of the laws of the Member States relating to the certification and marking of wire-ropes, chains and hooks³ (Greece).

Commission Directive of 1 July 1982⁴ adapting to technical progress the Council Directive of 4 November 1976 on the approximation of the laws of the Member States relating to electrical energy meters⁵ (Greece).

Council Directive of 17 September 1984 on the approximation of the laws of the Member States relating to seamless, steel gas cylinders⁶ (Belgium, Ireland, Luxembourg).

Council Directive of 17 September 1984 on the approximation of the laws of the Member States relating to seamless, unalloyed aluminium and aluminium alloy gas cylinders⁶ (Belgium, Ireland).

Council Directive of 17 September 1984 on the approximation of the laws of the Member States relating to welded unalloyed steel gas cylinders⁶ (Belgium, Ireland).

Council Directive of 17 September 1984 on the approximation of the laws of the Member States relating to common provisions for lifting and mechanical handling appliances⁶ (Belgium, France, Italy, Luxembourg).

Council Directive of 17 September 1984 on the approximation of the laws of the Member States relating to electrically operated lifts⁶ (Belgium, France, Ireland, Italy, Luxembourg).

Council Directive of 17 September 1984 on the approximation of the laws of the Member States relating to common provisions for construction plant and equipment⁶ (Ireland, Italy, Luxembourg).

Council Directive of 17 September 1984 on the approximation of the laws of the Member States relating to electro-medical equipment used in human or veterinary medicine⁶ (Belgium, Ireland, Italy, the Netherlands).

Council Directive of 28 June 1977 on the approximation of the laws of the Member States relating to the roll-over protection structures of wheeled agricultural or forestry tractors⁷ (Greece).

Council Directive of 17 December 1982 amending the Directives on the approximation of the laws of the Member States relating to wheeled agricultural or forestry tractors⁸ (Greece).

Commission Directive of 15 December 1982⁹ adapting to technical progress the Council Directive of 25 June 1979 on the approximation of the laws of the Member States relating to the roll-over protection structures of wheeled agricultural or forestry tractors (static testing)¹⁰ (Greece).

Commission Directive of 28 March 1983¹¹ adapting to technical progress the Council Directive of 25 July 1978 on the approximation of the laws of the Member States relating to the driver's seat on wheeled agricultural or forestry tractors¹² (Greece).

Commission Directive of 18 February 1985¹³ adapting to technical progress the Council Directive of 1 March 1971 on the approximation of the laws of the Member States relating to the rear-view mirrors of vehicles¹⁴ (Greece).

3.3.3. The Commission also delivered a reasoned opinion for failure to incorporate correctly the following directive into national law:

Council Directive of 15 July 1980 on air quality limit values and guide values for sulphur dioxide and suspended particulates¹⁵ (Germany).

3.3.4. Lastly, the Commission sent a letter of formal notice for failure to comply with a judgment of the Court concerning the following directive:

Council Directive of 14 February 1977 on the approximation of the laws of the Member States relating to the safeguarding of employees' rights in the event of transfers of undertakings, businesses or parts of businesses¹⁶ (Italy).

¹ OJ L 147, 9.6.1975.

² OJ L 122, 8.5.1976.

³ OJ L 335, 5.12.1973.

⁴ OJ L 252, 27.8.1982.

⁵ OJ L 336, 4.12.1976.

⁶ OJ L 300, 19.11.1984.

⁷ OJ L 220, 29.8.1977.

⁸ OJ L 378, 31.12.1982.

⁹ OJ L 386, 31.12.1982.

¹⁰ OJ L 179, 17.7.1979.

¹¹ OJ L 109, 26.4.1983.

¹² OJ L 255, 18.9.1978.

¹³ OJ L 90, 29.3.1985.

¹⁴ OJ L 68, 22.3.1971.

¹⁵ OJ L 229, 30.8.1980.

¹⁶ OJ L 61, 5.3.1977.

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